

CITY OF VIDALIA, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF JUNE 30, 2005
AND FOR THE YEAR THEN ENDED

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/8/06



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

CITY OF VIDALIA, LOUISIANA
Annual Financial Statements
As of and for the Year Ended June 30, 2005
With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

The Honorable Hiram Copeland, Mayor
and Members of the Board of Aldermen
City of Vidalia
Vidalia, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vidalia, Louisiana, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vidalia, Louisiana as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2006, on our consideration of the City of Vidalia, Louisiana's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on Pages 3 through 9 and Pages 38 through 40, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Vidalia, Louisiana's basic financial statements. The combining and individual fund statements and schedules described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Stacy Simmons, LLP

Natchez, Mississippi
January 19, 2006

Required Supplemental Information (Part I)

CITY OF VIDALIA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005

The management of the City of Vidalia, Louisiana offers readers of the City of Vidalia, Louisiana's (City) financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2005. This management discussion and analysis (MD&A) is designed to provide an objective analysis of the City's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of City finances. It is also intended to provide readers with an analysis of the City's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the City. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

Overview of the Financial Statements

This section is intended to serve as an introduction to the City's financial statements. The City's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers with a concise "entity-wide" Statement of Net Assets and Statement of Activities, which seek to give the user of the financial statements a broad overview of the City's financial position and results of operations in a manner similar to private sector businesses.

The statement of net assets presents information on all of the City's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or weakening.

The statement of activities presents information which shows how the government's net assets changed during this fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes).

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines and intergovernmental revenues, for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees such as the Gas, Electric, Water, and Sewer Departments.

Government-Wide Financial Analysis

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the City's assets exceeded its liabilities by \$ 33,038,287 (net assets); this represents an increase of \$1,263,925 from last fiscal year. Of this total net asset amount, \$8,186,787 is unrestricted net assets. The City's net assets are comprised of \$22,298,339 from Governmental Activities and \$ 10,739,948 from Business Type Activities.

The following is a condensed statement of the City of Vidalia's net assets as of June 30, 2005 and 2004:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets						
Current and other assets	\$ 9,612,410	\$ 8,283,046	\$ 1,715,555	\$ 2,705,057	\$ 11,327,965	\$ 10,988,103
Capital assets (net)	19,646,612	18,909,851	10,045,813	10,298,608	29,692,425	29,208,459
Total assets	<u>\$ 29,259,022</u>	<u>\$ 27,192,897</u>	<u>\$ 11,761,368</u>	<u>\$ 13,003,665</u>	<u>\$ 41,020,390</u>	<u>\$ 40,196,562</u>
Liabilities						
Other liabilities	\$ 1,530,683	\$ 813,009	\$ 1,021,420	\$ 1,904,191	\$ 2,552,103	\$ 2,717,200
Long-term liabilities	5,430,000	5,705,000	-	-	5,430,000	5,705,000
Total liabilities	<u>\$ 6,960,683</u>	<u>\$ 6,518,009</u>	<u>\$ 1,021,420</u>	<u>\$ 1,904,191</u>	<u>\$ 7,982,103</u>	<u>\$ 8,422,200</u>
Net Assets						
Invested in capital assets	\$ 19,646,612	\$ 18,909,851	\$ 10,045,813	\$ 10,298,609	\$ 29,692,425	\$ 29,208,460
Less related debt	5,705,000	5,960,000	-	-	5,705,000	5,960,000
Net of related debt	<u>\$ 13,941,612</u>	<u>\$ 12,949,851</u>	<u>\$ 10,045,813</u>	<u>\$ 10,298,609</u>	<u>\$ 23,987,425</u>	<u>\$ 23,248,460</u>
Restricted	864,075	1,147,382	-	-	864,075	1,147,382
Unrestricted	7,492,652	6,577,655	694,135	800,865	8,186,787	7,378,520
Total net assets	<u>\$ 22,298,339</u>	<u>\$ 20,674,888</u>	<u>\$ 10,739,948</u>	<u>\$ 11,099,474</u>	<u>\$ 33,038,287</u>	<u>\$ 31,774,362</u>

By far, the largest portion of the City's net assets (\$23,987,425 or 73%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, City infrastructure, etc.) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (\$864,075) represents resources that are subject to external restrictions on how they may be used. The remaining balance (\$8,186,787) are unrestricted net assets which may be used to meet the government's on-going obligations to citizens and creditors subject to certain conditions as set forth in Note 15 on page 35 of this report.

The City has total outstanding debt of \$5,705,000, which was used to finance some of the \$29,692,425 capital assets. (For more detailed information on the City's debt and capital assets, see Pages 28 through 31.) Total liabilities of \$7,982,103 are equal to 19% of the total assets.

Government-Wide Financial Analysis (continued)

The City's governmental activities increased net assets by \$1,623,451. This increase is mainly due to capital asset acquisitions of \$1,303,266, the majority of which were funded from capital grants. For Government-Wide Financial Statements, the revenue from the grants is recorded currently, while the assets acquired are capitalized and depreciated over their useful lives.

Governmental Activities

The governmental activities of the City include general government, public safety, public works, economic development, and payment of interest on long-term debt. Revenues and expenditures related to the City's involvement in the S. A. Murray Hydro Electric Station are also included in governmental activities. In that revenues normally associated with municipal operations, (e.g. sales tax, property tax, franchise fees, license fees, sanitation fees, permits, fines, and operating grants) are insufficient for the funding of these activities, the City has relied on transfers of excess revenue from its enterprise funds to cover the cost of all activities other than economic development. In that the enterprise fund generated no excess revenue during the fiscal year just ending these activities were totally funded from net revenues of the Hydro Electric Station. Economic development activities in the majority are funded by capital grants and contributions.

The following is a summary of the statement of activities:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenue						
Program revenue	\$ 3,950,459	\$ 2,619,346	\$ 8,130,214	\$ 8,075,443	\$ 12,080,673	\$ 10,694,789
General revenue and transfers	13,133,497	15,905,070	162,912	(2,554,375)	13,296,409	13,350,695
Total revenue and transfers	<u>\$ 17,083,956</u>	<u>\$ 18,524,416</u>	<u>\$ 8,293,126</u>	<u>\$ 5,521,068</u>	<u>\$ 25,377,082</u>	<u>\$ 24,045,484</u>
Expenses						
General and administrative	\$ 10,873,364	\$ 9,131,205	\$ -	\$ -	\$ 10,873,364	\$ 9,131,205
Public safety	2,330,498	2,057,076	-	-	2,330,498	2,057,076
Public works	1,561,276	1,464,323	-	-	1,561,276	1,464,323
Economic development	382,909	224,706	-	-	382,909	224,706
Combined utility	-	-	8,652,652	8,070,964	8,652,652	8,070,964
Interest on long-term debt	312,458	320,148	-	-	312,458	320,148
Total expenses	<u>\$ 15,460,505</u>	<u>\$ 13,197,458</u>	<u>\$ 8,652,652</u>	<u>\$ 8,070,964</u>	<u>\$ 24,113,157</u>	<u>\$ 21,268,422</u>
Increase in net assets	\$ 1,623,451	\$ 5,326,958	\$ (359,526)	\$ (2,549,896)	\$ 1,263,925	\$ 2,777,062
Net assets, beginning	20,674,888	15,347,930	11,099,474	13,649,370	31,774,362	28,997,300
Net assets, ending	<u>\$ 22,298,339</u>	<u>\$ 20,674,888</u>	<u>\$ 10,739,948</u>	<u>\$ 11,099,474</u>	<u>\$ 33,038,287</u>	<u>\$ 31,774,362</u>

Business-Type Activities

The business-type activities of the City are those that charge a fee to customers for the services provided. The City has one business-type activities, which is accounted for as an enterprise fund. The City uses an enterprise fund to account for the revenues and expenses related to the provision of gas, electric, water, and sewer services (Combined Utility Fund).

The following is a summary of the business-type activities of the City:

	Operating Revenues Net of Purchases and Sales Tax			
	Gas	Electric	Water	Sewer
Fiscal year ended June 30, 2004	\$ 275,427	\$ 1,475,853	\$ 476,730	\$ 416,327
Fiscal year ended June 30, 2005	159,448	1,414,021	470,691	416,909
Increase (decrease) between years	\$ (115,979)	\$ (61,832)	\$ (6,039)	\$ 582
				\$ (183,268)

	Operating Expenses			
	Gas	Electric	Water	Sewer
Fiscal year ended June 30, 2004	\$ 392,292	\$ 1,057,882	\$ 737,284	\$ 452,400
Fiscal year ended June 30, 2005	440,063	1,270,729	800,134	472,581
Increase (decrease) between years	\$ 47,771	\$ 212,847	\$ 62,850	\$ 20,181
				\$ 343,649

	Net Income (Loss) From Operations			
	Gas	Electric	Water	Sewer
Fiscal year ended June 30, 2004	\$ (116,865)	\$ 417,971	\$ (260,554)	\$ (36,073)
Fiscal year ended June 30, 2005	(280,615)	143,292	(329,443)	(55,672)
Increase (decrease) between years	\$ (163,750)	\$ (274,679)	\$ (68,882)	\$ (19,599)
				\$ (526,917)

Business-Type Activities (continued)

The reasons for major fluctuations noted above are as follows:

The decrease in Utility Fund net operating revenues was the result of increased cost of power and natural gas and increased cost in payroll and operation materials for fiscal year 2005. The cost of power and natural gas increased from \$5,431,106 in fiscal year 2004 to \$5,669,145 in the current fiscal year while the cost of payroll and operating materials increased from \$2,639,858 in fiscal year 2004 to \$2,983,507 in the current fiscal year. These increases of \$581,668 were not passed on in the way of a fuel adjustment or increased rates on customer's utility bills.

As can be seen from the above tables, the City's Utility Fund no longer generates net revenues which previously were used for General Fund support. For the current fiscal year, the Combined Utility Fund's net loss was \$522,438, which represents a decrease of \$526,917 over the previous fiscal year net revenues and a decrease of \$1,117,525 over the fiscal year ended June 30, 2003. The City has relied on net revenues of the Hydro Electric Fund to replace those previously supplied by the Combined Utility Fund for the support of General Fund operations.

Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for a particular purpose.

The City maintains four individual governmental fund types. These fund types are General, Special Revenue, Debt Service, and Capital Projects Funds. Information is presented separately in the Governmental Funds Balance Sheet (Statement C) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) for the General Fund, Hydro Royalty Fund, River Front Development Fund and the Industrial Park Fund, which are considered to be major funds. Transactions of the remaining governmental funds are combined and shown as *Other Governmental Funds* on these statements. Individual fund data for each of the *nonmajor governmental funds* is provided in the form of combining and individual financial statements in the supplemental information portion of this report, beginning on Page 41.

The City adopts an annual budget for its governmental funds. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplemental Information (Part II) which compares actual revenues and expenditures to the original budget and amended budget figures. Budgeted amounts for the remainder of the Governmental Funds are presented in the individual fund statements.

Financial Analysis of the City's Governmental Funds

The City of Vidalia's governmental funds reported combined ending fund balances of \$8,380,845, which is an increase of \$630,746. This increase was caused by an increase retained as Hydro Reserves of \$1,007,725 offset by net decreases in other governmental funds fund balance of \$376,979.

Fund Financial Statements – Governmental Funds (continued)**Governmental Funds - Summary of Financial Data:**

	<u>Revenue and Transfers In</u>				
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Fiscal year ended June 30, 2004	\$ 3,712,998	\$ 13,030,521	\$ 599,465	\$ 2,290,591	\$ 19,633,575
Fiscal year ended June 30, 2005	<u>3,903,860</u>	<u>15,476,242</u>	<u>584,354</u>	<u>1,057,870</u>	<u>21,022,326</u>
Increase (decrease) between years	<u>\$ 190,862</u>	<u>\$ 2,445,721</u>	<u>\$ (15,111)</u>	<u>\$ (1,232,721)</u>	<u>\$ 1,388,751</u>
	<u>Expenditures and Transfers Out</u>				
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Fiscal year ended June 30, 2004	\$ 3,299,649	\$ 12,029,454	\$ 581,895	\$ 2,287,737	\$ 18,198,735
Fiscal year ended June 30, 2005	<u>4,076,979</u>	<u>14,389,070</u>	<u>604,085</u>	<u>1,321,446</u>	<u>20,391,580</u>
Increase (decrease) between years	<u>\$ 777,330</u>	<u>\$ 2,359,616</u>	<u>\$ 22,190</u>	<u>\$ (966,291)</u>	<u>\$ 2,192,845</u>
	<u>Changes in Fund Balance</u>				
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Fiscal year ended June 30, 2004	\$ 413,349	\$ 1,001,067	\$ 17,570	\$ 2,854	\$ 1,434,840
Fiscal year ended June 30, 2005	<u>(173,119)</u>	<u>1,087,172</u>	<u>(19,731)</u>	<u>(263,576)</u>	<u>630,746</u>
Increase (decrease) between years	<u>\$ (586,468)</u>	<u>\$ 86,105</u>	<u>\$ (37,301)</u>	<u>\$ (266,430)</u>	<u>\$ (804,094)</u>

Fund Financial Statements – Proprietary Funds

The City maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The City uses enterprise funds (the first type of proprietary fund) to account for its Combined Gas, Electric, Water, and Sewer Operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

Financial Analysis of the City's Proprietary Funds

The City's proprietary fund show a decrease in ending fund balance of \$359,526. The 2005 operating loss of the Gas Department of \$280,615 represents a \$163,750 increase in loss from fiscal year 2004. The fiscal year 2005 operating loss of the Water and Sewer Departments of \$385,115 represents an increase in loss of \$88,488 from fiscal year 2004. The Electric Department's failed to generate an operating profit sufficient to offset losses from the Gas, Water, and Sewer Departments, and shows an operating income of \$143,292, which represents a decrease of \$274,679 from fiscal year 2004.

In that financial statements of enterprise funds are presented on the same basis of accounting as in both the government-wide financial statements and the individual fund statements, all comments and analysis made under business-type activities apply to these funds.

Capital Asset and Debt Administration

The total investment in net capital assets as of June 30, 2005 is \$23,987,425.

The major capital assets additions during the fiscal year 2005 were continuation of the City's River Front Development Project of \$794,372, additions to Utility fund Facilities of \$121,999, and \$523,484 of equipment acquisitions. During the current fiscal year, \$920,710 of construction projects were completed.

In addition to the above, the City has Construction in Progress totaling \$905,350 as of June 30, 2005. This construction is a continuation of the River Front Development. As of June 30, 2005, the City also has outstanding obligations under uncompleted construction contracts totaling \$468,063.

At the end of the current fiscal year, the City had a total outstanding bonded debt of \$5,705,000. Principal payments of \$275,000 are due during the upcoming fiscal year. These obligations are financed through a 1% sales tax collected within the corporate limits of Vidalia.

General Fund Budgetary Highlights

The only major budgetary deviation in overall General Fund activities was caused by the unanticipated receipt of a grant funds for fire department equipment from the Department of Homeland Security in the amount of \$41,560. This resulted in a \$58,977 favorable budget deviation for the line item Intergovernmental Revenues.

Current Financial Factors

As stated previously, the City has absorbed increases in the cost of natural gas and electricity as well as increases in operating costs of its Combined Utility Fund over recent fiscal years. Because the City has not increased its utility rates, the Utility Fund no longer generates net revenues for the support of General Fund activities and has relied upon net revenues of the Hydro Electric Fund for the support of both the General and Utility Fund activities. During the fiscal year just ended, the Hydro Electric Fund provided \$2,668,661 towards funding the operations of the General and Utility Funds. Because of Reserve requirements, the Hydro Electric Fund can not provide funding for General and Utility Fund operations in amounts above that provide during the fiscal year just ended. Anticipated increases in the cost of natural gas and electricity, inability of the Hydro Electric Fund to provide additional support, and increases in operating costs, will require increases in the fees and charges the City collects. In the event the City is unable to reduce its cost of operations, these increases will be substantial.

In addition to the increases noted above, in the event that the net revenues of the Hydro Electric Fund would decrease due to a low water, low production year, utility rates would have to be increased by as much as 27% in order to generate revenues necessary to support general fund activities, or services provided to its citizens would have to be severely cut.

Requests for Information

This financial report is designed to provide a general overview of the City of Vidalia, Louisiana's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Kenneth J. Davis, Comptroller, Post Office Box 2010, Vidalia, Louisiana 71373.

Basic Financial Statements

Government-Wide Financial Statements

STATEMENT A

CITY OF VIDALIA, LOUISIANA

STATEMENT OF NET ASSETS

JUNE 30, 2005

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 5,624,283	\$ 224,776	\$ 5,849,059
Receivables (net of allowances for uncollectibles)	209,522	1,050,711	1,260,233
Internal balances	(177,589)	177,589	-
Due from other agencies	3,098,772	10,963	3,109,735
Due from other governments	854,878	2,000	856,878
Prepaid items	2,544	11,996	14,540
Restricted assets	-	237,520	237,520
Capital assets (net)	<u>19,646,612</u>	<u>10,045,813</u>	<u>29,692,425</u>
Total assets	<u>\$ 29,259,022</u>	<u>\$ 11,761,368</u>	<u>\$ 41,020,390</u>
<u>LIABILITIES</u>			
Accounts, salaries, and other payables	\$ 1,137,034	\$ 783,900	\$ 1,920,934
Payable from restricted assets	-	237,520	237,520
Interest payable	24,118	-	24,118
Compensated absences payable	94,531	-	94,531
Bonds payable, due within one year	275,000	-	275,000
Bonds payable, beyond one year	<u>5,430,000</u>	<u>-</u>	<u>5,430,000</u>
Total liabilities	<u>\$ 6,960,683</u>	<u>\$ 1,021,420</u>	<u>\$ 7,982,103</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$ 13,941,612	\$ 10,045,813	\$ 23,987,425
Restricted for:			
Debt service	736,855	-	736,855
Capital projects	127,220	-	127,220
Unrestricted	<u>7,492,652</u>	<u>694,135</u>	<u>8,186,787</u>
Total net assets	<u>\$ 22,298,339</u>	<u>\$ 10,739,948</u>	<u>\$ 33,038,287</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

	Program Revenues				Net (Expenses)/ Revenue	Governmental Activities	Business-Type Activities	Total
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
GOVERNMENTAL ACTIVITIES								
General government	\$ 10,873,364	\$ 2,488,355	\$ -	\$ -	\$ (8,385,009)	\$ (8,385,009)	\$ -	\$ (8,385,009)
Public safety	2,330,498	96,606	212,671	-	(2,021,221)	(2,021,221)	-	(2,021,221)
Public works	1,561,276	267,820	-	-	(1,293,456)	(1,293,456)	-	(1,293,456)
Economic development	382,909	-	125,238	759,769	502,098	502,098	-	502,098
Interest on long-term debt	312,458	-	-	-	(312,458)	(312,458)	-	(312,458)
Total governmental activities	\$ 15,460,505	\$ 2,852,781	\$ 337,909	\$ 759,769	\$ (11,510,046)	\$ (11,510,046)	\$ -	\$ (11,510,046)
BUSINESS-TYPE ACTIVITIES								
Gas	\$ 1,225,360	\$ 944,745	\$ -	\$ -	\$ (280,615)	\$ -	\$ (280,615)	\$ (280,615)
Electric	6,151,734	6,295,026	-	-	143,292	-	143,292	143,292
Water	802,977	473,534	-	-	(329,443)	-	(329,443)	(329,443)
Sewer	472,581	416,909	-	-	(55,672)	-	(55,672)	(55,672)
Total business-type activities	\$ 8,652,652	\$ 8,130,214	\$ -	\$ -	\$ (522,438)	\$ -	\$ (522,438)	\$ (522,438)
Total	\$ 24,113,157	\$ 10,982,995	\$ 337,909	\$ 759,769	\$ (12,032,484)	\$ (11,510,046)	\$ (522,438)	\$ (12,032,484)
General Revenues:								
Property taxes					\$ 129,012	\$ -	\$ -	\$ 129,012
Sales taxes					1,295,111	-	-	1,295,111
Franchise taxes					36,302	-	-	36,302
Beer taxes					6,506	-	-	6,506
Occupational licenses					171,436	-	-	171,436
Investment earnings					122,808	-	2,801	125,609
Other general revenues					11,532,433	-	-	11,532,433
Transfers					(160,111)	-	160,111	-
Total general revenues and transfers								
Change in net assets					\$ 13,133,497	\$ -	\$ 162,912	\$ 13,296,409
Net assets - beginning					1,623,451	-	(359,526)	1,263,925
Prior period adjustment					20,679,439	-	11,099,474	31,778,913
Net assets - beginning, restated					(4,551)	-	-	(4,551)
Net assets - ending					20,674,888	-	11,099,474	31,774,362
					22,298,339	\$ -	10,739,948	\$ 33,038,287

The accompanying notes are an integral part of this financial statement.

Fund Financial Statements

Governmental Funds

CITY OF VIDALIA, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2005

	General Fund	Hydro Royalty Fund	River Front Development Fund	Industrial Park Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 410,787	\$ 4,151,067	\$ (813)	\$ 13,433	\$ 1,049,809	\$ 5,624,283
Receivables (net of allowances for uncollectibles)	30,172	24,694	-	-	154,656	209,522
Due from other agencies	-	3,088,959	-	9,813	-	3,098,772
Due from other governments	21,067	-	407,332	354,639	71,840	854,878
Due from other funds	79,369	175,000	-	-	420,348	674,717
Prepaid expense	1,126	-	-	-	1,418	2,544
Total assets	\$ 542,521	\$ 7,439,720	\$ 406,519	\$ 377,885	\$ 1,698,071	\$ 10,464,716

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 88,809	\$ 632,747	\$ 12,833	\$ 335,346	\$ 3,828	\$ 1,073,563
Accrued liabilities	115,826	-	-	-	24,539	140,365
Due to other funds	44,518	203,916	528,111	29,293	46,468	852,306
Other liabilities	-	-	-	-	17,637	17,637
Total liabilities	\$ 249,153	\$ 836,663	\$ 540,944	\$ 364,639	\$ 92,472	\$ 2,083,871

Fund balances:

Reserved for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 736,855	\$ 736,855
Capital projects	-	-	(134,425)	13,246	248,399	127,220
Unreserved, reported in:						
General Fund	293,368	-	-	-	-	293,368
Special revenue funds	-	6,603,057	-	-	620,345	7,223,402
Total fund balances	\$ 293,368	\$ 6,603,057	\$ (134,425)	\$ 13,246	\$ 1,605,599	\$ 8,380,845
Total liabilities and fund balances	\$ 542,521	\$ 7,439,720	\$ 406,519	\$ 377,885	\$ 1,698,071	\$ 10,464,716

The accompanying notes are an integral part of this financial statement.

STATEMENT D**CITY OF VIDALIA, LOUISIANA****RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET ASSETS****JUNE 30, 2005**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$	8,380,845	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		19,646,612	
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.			
Accrued interest payable	\$	24,118	
Bonds payable		<u>5,705,000</u>	
			<u>(5,729,118)</u>
Net Assets of Governmental Activities (Statement A)	\$	<u>22,298,339</u>	

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	Hydro Royalty Fund	River Front Development Fund	Industrial Park Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Ad valorem	\$ 129,012	\$ -	\$ -	\$ -	\$ -	\$ 129,012
Sales and use	-	-	-	-	1,295,111	1,295,111
Other taxes, penalties, interest, etc.	47,487	-	-	-	-	47,487
Licenses and permits	171,436	-	-	-	-	171,436
Intergovernmental revenues:						
Federal grants	59,982	-	-	-	-	59,982
State	133,995	-	405,131	354,638	25,200	918,964
Local	-	-	-	53,398	71,840	125,238
Fines and forfeitures	50,832	-	-	-	-	50,832
Charges for services	269,870	2,422,234	-	-	109,845	2,801,949
Investment earnings	687	110,193	901	80	10,947	122,808
Other revenues	25,559	11,393,282	79,791	18,591	4,025	11,521,248
Total revenues	\$ 888,860	\$ 13,925,709	\$ 485,823	\$ 426,707	\$ 1,516,968	\$ 17,244,067
EXPENDITURES						
General government	\$ 475,383	\$ 10,249,373	\$ -	\$ -	\$ 116,586	\$ 10,841,342
Public safety:						
Police	1,324,241	-	-	-	-	1,324,241
Fire	520,660	-	-	-	-	520,660
Ambulance	-	-	-	-	394,934	394,934
Public works:						
Streets	805,035	-	-	-	10,315	815,350
Sanitation	485,800	-	-	-	-	485,800
Economic development	-	-	182,516	63,643	-	246,159
Capital outlay	330,860	-	526,151	380,881	18,430	1,256,322
Debt service:						
Principle	-	-	-	-	255,000	255,000
Interest and fiscal fees	-	-	-	-	313,402	313,402
Total expenditures	\$ 3,941,979	\$ 10,249,373	\$ 708,667	\$ 444,524	\$ 1,108,667	\$ 16,453,210
Excess of revenues (expenditures)	\$ (3,053,119)	\$ 3,676,336	\$ (222,844)	\$ (17,817)	\$ 408,301	\$ 790,857

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CITY OF VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2005

	General Fund	Hydro Royalty Fund	River Front Development Fund	Industrial Park Fund	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)						
Transfers – in	\$ 3,015,000	\$ -	\$ 15,000	\$ 40,000	\$ 708,259	\$ 3,778,259
Transfers – out	(135,000)	(2,668,611)	-	-	(1,134,759)	(3,938,370)
Total other financing sources (uses)	\$ 2,880,000	\$ (2,668,611)	\$ 15,000	\$ 40,000	\$ (426,500)	\$ (160,111)
Net change in fund balance	\$ (173,119)	\$ 1,007,725	\$ (207,844)	\$ 22,183	\$ (18,199)	\$ 630,746
Fund balances (deficit) – beginning	466,487	5,595,332	73,419	(8,937)	1,623,798	7,750,099
Fund balances (deficit) – ending	\$ 293,368	\$ 6,603,057	\$ (134,425)	\$ 13,246	\$ 1,605,599	\$ 8,380,845

The accompanying notes are an integral part of this financial statement.

STATEMENT F

CITY OF VIDALIA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ 630,746
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	736,761
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	255,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net effect of these differences in the treatment of interest paid on debt.	<u>944</u>
Change in Net Assets of Governmental Activities, Statement B	<u>\$ 1,623,451</u>

The accompanying notes are an integral part of this financial statement.

Proprietary Funds

STATEMENT G

CITY OF VIDALIA, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005

	Business-Type Activities
	Enterprise Fund
	Utility Fund
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 224,776
Receivables (net of allowances for uncollectibles)	1,050,711
Due from other agencies	10,963
Due from other governments	2,000
Due from other funds	254,941
Prepaid items	<u>11,996</u>
Total current assets	\$ <u>1,555,387</u>
Noncurrent assets	
Restricted assets:	
Cash	\$ 237,520
Capital assets (net of accumulated depreciation)	<u>10,045,813</u>
Total noncurrent assets	\$ <u>10,283,333</u>
Total assets	\$ <u>11,838,720</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 691,717
Accrued liabilities	92,183
Due to other funds	<u>77,352</u>
Total current liabilities	\$ <u>861,252</u>
Current liabilities payable from restricted assets	
Consumer deposits	\$ <u>237,520</u>
Noncurrent liabilities	\$ <u>-</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	\$ 10,045,813
Unrestricted	<u>694,135</u>
Total net assets	\$ <u>10,739,948</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT H

CITY OF VIDALIA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Business-Type Activities
	<u>Enterprise Fund</u>
	<u>Utility Fund</u>
<u>OPERATING REVENUES</u>	
Charges for services:	
Gas sales	\$ 944,745
Electricity sales	6,295,026
Water sales	473,534
Sewer charges	<u>416,909</u>
Total operating revenues	\$ <u>8,130,214</u>
<u>OPERATING EXPENSES</u>	
Purchases and sales tax	\$ 5,669,145
Personal services	1,470,865
Materials and supplies	583,000
Other services and charges	554,846
Depreciation	<u>374,796</u>
Total operating expenses	\$ <u>8,652,652</u>
Operating loss	\$ <u>(522,438)</u>
Nonoperating Revenues	
Interest earnings	\$ <u>2,801</u>
Total nonoperating revenues	\$ <u>2,801</u>
Loss Before Transfers	\$ (519,637)
Transfers – in	1,568,611
Transfers – out	\$ <u>(1,408,500)</u>
Change in Net Assets	\$ (359,526)
Total net assets – beginning	<u>11,099,474</u>
Total net assets – ending	\$ <u>10,739,948</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT I

CITY OF VIDALIA, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Business-Type Activities
	Enterprise Fund
	Utility Fund
Cash Flows From Operating Activities	
Receipts from customers and users	\$ 8,040,095
Payments to suppliers	(6,691,852)
Payments to employees	(1,462,737)
Net cash used for operating activities	<u>\$ (114,494)</u>
Cash Flows From Noncapital Financing Activities	
Transfers from other funds	\$ 1,581,055
Transfers to other funds	(1,333,356)
Net cash provided by noncapital financing activities	<u>\$ 247,699</u>
Cash Flows From Capital and Related Financing Activities	
Purchases of fixed assets	\$ (122,001)
Net cash used for capital and related financing activities	<u>\$ (122,001)</u>
Cash Flows from Investing Activities	
Interest on temporary investments	\$ 2,801
Net cash provided by investing activities	<u>\$ 2,801</u>
Net increase in cash and cash equivalents	\$ 14,005
Cash and cash equivalents, beginning of year	448,291
Cash and cash equivalents, end of year	<u>\$ 462,296</u>
Reconciliation of Operating Loss to Net Cash Provided By Operating Activities	
Operating loss	\$ (522,438)
Adjustments to Reconcile Operating Loss To Net Cash Provided By Operating Activities	
Depreciation	\$ 374,796
Change in assets and liabilities	
(Increase) decrease in:	
Accounts receivable	(85,327)
Allowance for uncollectibles	3,258
Due from other agencies	(10,963)
Prepaid expenses	51,706
Increase (decrease) in	
Accounts payable	60,175
Accrued liabilities	8,128
Customer deposits	6,171
Total adjustments	<u>\$ 407,944</u>
Net cash used for operating activities	<u>\$ (114,494)</u>

The accompanying notes are an integral part of this financial statement.

Notes to the Financial Statements

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Vidalia was incorporated April 1, 1901, under the provisions of the Lawrason Act. The City operates under the Mayor-Board of Aldermen form of government and provides the following services as authorized by the Lawrason Act: public safety (police, fire, and ambulance); streets; sanitation; health; culture-recreation; public improvements; planning and zoning; provision of gas, electric and water utilities; sewer services; and general administrative services.

The accounting and reporting policies of the City of Vidalia conform to generally accepted accounting principles as applicable to governments in the United States of America.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the City executive and legislative branches (the Mayor and Board of Aldermen). The scope of the governmental entity included in this report was determined by applying the criteria established by the Governmental Accounting Standards Board's Statement Number 14.

The application of these criteria revealed no additional governmental reporting entities, which would be properly included in these financial statements.

The City Marshall's balances and transactions are accounted for in the City Court Fund.

B. Basis Of Presentation

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Hydro Royalty Fund is used to account for the revenues and expenses of the hydroelectric project.

The River Front Development Fund is used to account for the collection and expenditure of revenues for the acquisition and development of the City's riverfront. Financing is being provided from general revenues and state grants.

The Industrial Park Fund is used to account for the financing and construction as well as continuing improvements to be made to the City's Industrial Park Complex. General revenues, federal and state grants provide the financing.

The municipality reports the following major proprietary fund:

The Utility Fund is used to account for the provision of gas, electric, and water utilities, as well as sewer services to residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service and billing and collection.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investment policy allow the municipality to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

The City annually levies ad valorem taxes in accordance with state statute for the fiscal year ended June 30. Tax bills are prepared and delivered in October with payment due from the date of receipt to the last day of February. Because of the due dates noted previously, ad valorem taxes are not considered to be available resources of the fiscal year to which they apply and are, therefore, not accrued at the end of the fiscal year.

The City bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Concordia Parish.

For the year ended June 30, 2005, taxes of 3.49 mills were levied on property with assessed valuations totaling \$36,966,190, after abatements and exemptions and were dedicated as follows:

General corporate purposes	3.49 mills
Total taxes levied were	\$129,012

F. Inventories

Since inventories of the proprietary fund consist of items normally capitalized upon acquisition, amounts considered in the computation of operating expense are immaterial and, therefore, not reflected.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Restricted Assets - Utility Fund

Restricted assets were applicable to the following at June 30, 2005

Consumer deposits	<u>\$ 237,520</u>
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CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Streets and Parking Areas	15 - 40 Years
Improvements Other Than Buildings	10 - 40 Years
Buildings and Structures	10 - 40 Years
Machinery and Equipment	5 - 10 Years

J. Compensated Absences

The City has implemented GASB Statement Number 16 "Accounting for Compensated Absences". Under GASB Statement Number 16, a liability for unpaid vacation that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to benefits.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

K. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The City follows procedures established by Louisiana Revised Statute in the preparation and adoption of its annual operating budgets as follows:

1. The City Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General, Special Revenue, Debt Service Funds, and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

EXCESS OF EXPENDITURES OVER APPROPRIATIONS. The following individual funds had actual expenditures over budgeted appropriations for the year ended June 30, 2005.

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 3,483,344	\$ 3,888,350	\$ 3,941,979	\$ 53,629
Hydro Royalty Fund	\$ 6,872,000	\$ 10,203,000	\$ 10,249,373	\$ 46,373
Ambulance Fund	\$ 383,500	\$ 390,350	\$ 394,934	\$ 4,584
City Court Fund	\$ -	\$ -	\$ 68,631	\$ 68,631
River Front Development Fund	\$ 981,400	\$ 618,850	\$ 708,667	\$ 89,817
Industrial Park Fund	\$ 930,579	\$ 94,700	\$ 444,524	\$ 349,824
Sales Tax Bond Construction Fund	\$ 326,312	\$ -	\$ 34,825	\$ 34,825
LCDBG Public Facilities Program Fund	\$ 761,297	\$ 3,500	\$ 18,430	\$ 14,930

DEFICITS. The following individual funds have deficits in fund balance (net assets) at June 30, 2005:

<u>Fund</u>	<u>Deficit Amount</u>
River Front Development Fund	\$ (134,425)

NOTE 3 – CASH AND CASH EQUIVALENTS

At June 30, 2005, the municipality has cash and cash equivalents (book balances) totaling \$6,086,579 as follows:

Demand deposits	\$ 2,334,528
Time deposits	3,750,000
Cash on hand	<u>2,051</u>
Total	<u>\$ 6,086,579</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2005, the municipality has \$5,733,777 in deposits (collected bank balances). These deposits are secured from risk by \$400,000 of federal deposit insurance and \$8,995,322 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 4 – RECEIVABLES

The receivables of \$1,260,233 at June 30, 2005, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Hydro Royalty Fund</u>	<u>Other Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Totals</u>
Taxes:					
Ad valorem	\$ 810	\$ -	\$ -	\$ -	\$ 810
Sales and use	-	-	150,821	-	150,821
Other	9,021	-	-	-	9,021
Accounts	15,504	-	85,960	1,052,976	1,154,440
Accrued interest	-	24,694	-	-	24,694
Other	6,232	-	-	3,062	9,294
Allowance for uncollectibles	(1,395)	-	(82,125)	(5,327)	(88,847)
Totals	<u>\$ 30,172</u>	<u>\$ 24,694</u>	<u>\$ 154,656</u>	<u>\$ 1,050,711</u>	<u>\$ 1,260,233</u>

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governmental units at June 30, 2005 consisted of the following:

<u>Due From</u>	<u>General Fund</u>	<u>River Front Development Fund</u>	<u>Industrial Park Fund</u>	<u>Other Governmental Funds</u>	<u>Enterprise Fund</u>	<u>Totals</u>
State of Louisiana	\$ 7,944	\$ 407,332	\$ 354,639	\$ -	\$ 2,000	\$ 771,915
Concordia Parish	13,123	-	-	71,840	-	84,963
Totals	<u>\$ 21,067</u>	<u>\$ 407,332</u>	<u>\$ 354,639</u>	<u>\$ 71,840</u>	<u>\$ 2,000</u>	<u>\$ 856,878</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of individual receivables and payables reflected as "Due To or Due From Other Funds" follows:

<u>Fund</u>	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 79,369	\$ 44,518
Hydro Royalty Fund	175,000	203,916
River Front Development Fund	-	528,111
Industrial Park Fund	-	29,293
Other Governmental Funds	420,348	46,468
Enterprise Fund	254,941	77,352
Totals	<u>\$ 929,658</u>	<u>\$ 929,658</u>

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

Interfund transfers during the year ended June 30, 2005, were as follows:

<u>Fund</u>	<u>Interfund Transfer</u>	
	<u>In</u>	<u>Out</u>
General Fund	\$ 3,015,000	\$ 135,000
Hydro Royalty Fund	-	2,668,611
River Front Development Fund	15,000	-
Industrial Park Fund	40,000	-
Other Governmental Funds	708,259	1,134,759
Enterprise Fund	<u>1,568,611</u>	<u>1,408,500</u>
Totals	<u>\$ 5,346,870</u>	<u>\$ 5,346,870</u>

Transfers are primarily used to move funds from:

- The Proprietary Funds to the General Fund to cover expenses of general operations.
- The Hydro Royalty Fund to the Utility Fund as further described in Note 15.
- The General Fund and Nonmajor Governmental Funds to finance various capital projects.

NOTE 7 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2005, is as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 3,926,445	\$ -	\$ -	\$ 3,926,445
Construction in progress	<u>830,295</u>	<u>1,060,422</u>	<u>985,367</u>	<u>905,350</u>
Total capital assets, not being depreciated	<u>\$ 4,756,740</u>	<u>\$ 1,060,422</u>	<u>\$ 985,367</u>	<u>\$ 4,831,795</u>
Capital assets, being depreciated				
Buildings and structures	\$ 1,891,892	\$ 73,801	\$ -	\$ 1,965,693
Improvements other than buildings	7,358,739	583,982	-	7,942,721
Machinery and equipment	1,575,606	523,484	-	2,099,090
Streets and parking areas	<u>8,839,466</u>	<u>-</u>	<u>-</u>	<u>8,839,466</u>
Total capital assets being depreciated	<u>\$ 19,665,703</u>	<u>\$ 1,181,267</u>	<u>\$ -</u>	<u>\$ 20,846,970</u>

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 7 – CAPITAL ASSETS (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Less accumulated depreciation for:				
Buildings and structures	\$ (701,952)	\$ (37,678)	\$ -	\$ (739,630)
Improvements other than buildings	(712,281)	(111,104)	-	(823,385)
Machinery and equipment	(934,570)	(144,572)	-	(1,079,142)
Streets and parking areas	(3,163,789)	(226,207)	-	(3,389,996)
Total accumulated depreciation	<u>\$ (5,512,592)</u>	<u>\$ (519,561)</u>	<u>\$ -</u>	<u>\$ (6,032,153)</u>
 Total capital assets being depreciated, net	 <u>\$ 14,153,111</u>	 <u>\$ 661,706</u>	 <u>\$ -</u>	 <u>\$ 14,814,817</u>
Total capital assets, net	<u>\$ 18,909,851</u>	<u>\$ 1,722,128</u>	<u>\$ 985,367</u>	<u>\$ 19,646,612</u>
 <u>Business-type activities:</u>				
Capital assets, not being depreciated				
Land	\$ 157,400	\$ -	\$ -	\$ 157,400
Construction in progress	<u>201,392</u>	<u>87,253</u>	<u>201,392</u>	<u>87,253</u>
Total capital assets, not being depreciated	<u>\$ 358,792</u>	<u>\$ 87,253</u>	<u>\$ 201,392</u>	<u>\$ 244,653</u>
 Capital assets, being depreciated				
Buildings and structures	\$ 171,674	\$ -	\$ -	\$ 171,674
Improvements other than buildings	17,150	-	-	17,150
Machinery and equipment	<u>15,129,155</u>	<u>236,140</u>	<u>-</u>	<u>15,365,295</u>
Total capital assets, being depreciated	<u>\$ 15,317,979</u>	<u>\$ 236,140</u>	<u>\$ -</u>	<u>\$ 15,554,119</u>
 Less accumulated depreciation for:				
Buildings and structures	\$ (74,292)	\$ (5,167)	\$ -	\$ (79,459)
Improvements other than buildings	(17,150)	-	-	(17,150)
Machinery and equipment	<u>(5,286,721)</u>	<u>(369,629)</u>	<u>-</u>	<u>(5,656,350)</u>
Total accumulated depreciation	<u>\$ (5,378,163)</u>	<u>\$ (374,796)</u>	<u>\$ -</u>	<u>\$ (5,752,959)</u>
Total capital assets being depreciated, net	<u>\$ 9,939,816</u>	<u>\$ (138,656)</u>	<u>\$ -</u>	<u>\$ 9,801,160</u>
Total capital assets, net	<u>\$ 10,298,608</u>	<u>\$ (51,403)</u>	<u>\$ 201,392</u>	<u>\$ 10,045,813</u>

Depreciation expense of \$519,561 for the year ended June 30, 2005, was charged to the following governmental functions:

General government	\$ 32,022
Public safety	90,663
Public works	260,126
Economic development	<u>136,750</u>
	<u>\$ 519,561</u>

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 8 – CONSTRUCTION COMMITMENTS

The municipality has active construction projects as of June 30, 2005. At year end, the commitments with contractors are as follows:

<u>Project</u>	<u>Spent To Date</u>	<u>Remaining Commitment</u>
Highway 84 5 th Lane Project	\$ 291,940	\$ 468,063
Total	<u>\$ 291,940</u>	<u>\$ 468,063</u>

NOTE 9 – LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2005:

	<u>General Long-Term Debt</u>		
	<u>Sales Tax Bonds</u>		
	<u>1999 Series</u>	<u>2000 Series</u>	<u>Totals</u>
Long-term obligations payable at June 30, 2004	\$ 2,845,000	\$ 3,115,000	\$ 5,960,000
Principal retired	<u>(135,000)</u>	<u>(120,000)</u>	<u>(255,000)</u>
Long-term obligations payable at June 30, 2005	<u>\$ 2,710,000</u>	<u>\$ 2,995,000</u>	<u>\$ 5,705,000</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2005:

	<u>Bonded Debt</u>
Current portion	\$ 275,000
Long-term portion	<u>5,430,000</u>
Total	<u>\$ 5,705,000</u>

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 9 – LONG-TERM OBLIGATIONS (continued)

Sales Tax Bond Series 1999 dated December 1, 1999, in the amount of \$3,310,000

Principal installments are payable on December 1 of each year beginning December 1, 2000 and ending December 1, 2017, with interest rates ranging from 4.00% to 5.45% per annum and principal payments ranging from \$105,000 to \$285,000. Financing for these bonds is to be provided from sales tax revenues.

\$ 2,710,000

Sales Tax Bond Series 2000 dated June 1, 2000, in the amount of \$3,535,000

Principal installments are payable on June 1 of each year beginning June 1, 2001 and ending June 1, 2020, with interest rates ranging from 4.60% to 6.00% per annum and principal payments ranging from \$95,000 to \$290,000. Financing for these bonds is to be provided from sales tax revenues.

2,995,000

\$ 5,705,000

At June 30, 2005, the municipality has accumulated \$736,855 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2006	\$ 275,000	\$ 301,226	\$ 576,226
2007	290,000	287,902	577,902
2008	310,000	273,693	583,693
2009	330,000	258,270	588,270
2010	350,000	241,559	591,559
2011 - 2015	2,045,000	912,420	2,957,420
2016 - 2020	<u>2,105,000</u>	<u>308,579</u>	<u>2,413,579</u>
Total	<u>\$ 5,705,000</u>	<u>\$ 2,583,649</u>	<u>\$ 8,288,649</u>

The municipality is legally restricted from incurring long-term bonded debt secured by sales and use taxes in excess of 75% of the avails of the tax. The municipality was within this 75% limitation when the sales tax bonds were issued.

NOTE 10 – SALES AND USE TAX REVENUES

- A. On July 17, 1999, a special election was held at which the citizens of Vidalia approved two individual propositions concerning (1) the levy and use of an additional 1% sales tax, and (2) the use of the existing 1% sales tax, which was approved in 1970.

Generally, the propositions authorized the imposition of a new 1% sales tax for 18 years and dedicated the proceeds of both the new and existing sales tax for the acquisition, construction, extending, improving, maintaining, and/or operating public streets, drainage facilities, waterworks system facilities and improvements, and sewerage system facilities and improvements, and authorized the City to fund the proceeds of both sales taxes into bonds for any capital purpose set forth above.

- B. Proceeds of an additional .5% sales and use tax are dedicated to providing the Community with ambulance service.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 11 – RETIREMENT SYSTEMS

Substantially all employees of the City of Vidalia, Louisiana, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds, and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3% for each year retirement precedes age 62, unless they have at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary, and the City of Vidalia, Louisiana is required to contribute at an actuarially determined rate. The current rate is 9.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of Vidalia, Louisiana are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Vidalia, Louisiana's contributions to the System under Plan B for the years ending June 30, 2004 and June 30, 2005, were \$95,525 and \$136,635, respectively, equal to the required contributions for those years.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 11 – RETIREMENT SYSTEMS (continued)

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5% of their annual covered salary, and the City of Vidalia, Louisiana is required to contribute at an actuarially determined rate. The current rate is 21.5% of annual covered payroll. The contribution requirements of plan members and the City of Vidalia, Louisiana are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Vidalia, Louisiana's contributions to the System for the years ending June 30, 2004 and June 30, 2005, were \$40,037 and \$56,341, respectively, equal to the required contributions for those years.

C. Firefighters' Retirement System of Louisiana (System)

Plan Description. Membership in the Louisiana Firefighters' Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3% of their final-average salary for each year of creditable service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, Post Office Box 94095, Baton Rouge, Louisiana 70804, or by calling (504) 925-4060.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 11 – RETIREMENT SYSTEMS (continued)

C. Firefighters' Retirement System of Louisiana (System) (continued)

Funding Policy. Plan members are required by state statute to contribute 8.0% of their annual covered salary, and the City of Vidalia, Louisiana is required to contribute at an actuarially determined rate. The current rate is 24.0% of annual covered payroll. The contribution requirements of plan members and the City of Vidalia, Louisiana are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Vidalia, Louisiana's contributions to the System for the years ending June 30, 2004 and June 30, 2005, were \$47,226 and \$50,351, respectively, equal to the required contributions for those years.

NOTE 12 – SEGMENT INFORMATION FOR UTILITY FUND

The Utility Fund operated by the City provides gas, electric, water, and sewer utility services. The following is a summary of disclosures required by the National Council on Governmental Accounting in Interpretation 2, Segment Information for Enterprise Funds.

	<u>Gas Utility</u>	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Service</u>	<u>Total</u>
Operating revenues	\$ 944,745	\$ 6,295,026	\$ 473,534	\$ 416,909	\$ 8,130,214
Purchase of utility provided	(785,297)	(4,881,005)	(2,843)	-	(5,669,145)
Operating expenses	(416,424)	(1,131,790)	(711,234)	(349,263)	(2,608,711)
Depreciation	(23,639)	(138,939)	(88,900)	(123,318)	(374,796)
Operating income (loss)	\$ (280,615)	\$ 143,292	\$ (329,443)	\$ (55,672)	\$ (522,438)
Operating transfers net					160,111
Interest income					2,801
Net loss					\$ (359,526)

NOTE 13 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 14 – COMPENSATION OF THE GOVERNING BOARD

The Governing Board of the City of Vidalia, Louisiana consists of a Mayor and five Aldermen. For the fiscal year ended June 30, 2005, their compensation was as follows:

Hiram Copeland, Mayor	\$ 52,000
Maureen Sanders, Alderman	3,260
Carter Warner, Alderman	2,773
Vernon Stevens, Alderman	3,260
Richard Knapp, Alderman	3,260
Jon Betts, Alderman	3,260
	<hr/>
	<u>\$ 67,813</u>

NOTE 15 – CITY OF VIDALIA – HYDROELECTRIC PROJECT

On March 22, 1984, the City of Vidalia, Louisiana entered into a conditional agreement with Catalyst Energy Development Corporation to enable Catalyst to successfully finance, develop, construct, operate and maintain the Vidalia Hydroelectric Project to be located in the State of Louisiana between the Mississippi River and the Atchafalya River near the U. S. Corps of Engineers' Old River Control Project.

On June 28, 1988, the City of Vidalia, Louisiana, and Catalyst Old River Hydroelectric Limited Partnership (successor to the rights and obligations of Catalyst Energy Development Corporation) entered into an agreement to amend and restate the March 22, 1984 agreement in its entirety. This agreement was again amended and restated on August 17, 1990 in its entirety. A general summary is as follows:

A. Payment of Royalties to the City of Vidalia

In consideration for its participation in this hydroelectric project, the City of Vidalia will be entitled to royalty payments based on a percentage of gross revenues beginning with 3.75% in the first year of operations, graduated to 11.6% in the year 2021, and 20% thereafter. All such payments shall be paid quarterly by depositing or transferring funds into a royalty account.

B. Restrictions on Revenues

Revenues derived from the City's participation in the S. A. Murray, Jr. Hydro Station shall be deposited into a special bank account and designated as the "City of Vidalia Hydro Royalty Fund". This fund is accounted for as a "Special Revenue Fund" for internal reporting purposes, but due to its business nature is reported as an "Enterprise Fund" in the financial statements in accordance with pronouncements of the Governmental Accounting Standards Board. These revenues shall be maintained and administered in the following order of priority and expended for the following express purposes:

1. Payments of all expenses and costs arising from the City's participation in the S. A. Murray, Jr. Hydro Station.
2. Satisfaction of any debt requirements incurred to finance capital improvements, which were approved pursuant to the conditions as set forth in the following item number seven (7).

**CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 15 – CITY OF VIDALIA – HYDROELECTRIC PROJECT (continued)

B. Restrictions on Revenues (continued)

3. The establishment and maintenance of a Reserve Fund into which amounts shall be transferred, the total of which shall equal or exceed the highest amount possibly due under the Catalyst Vidalia Power Purchase Agreement in any two month period of any upcoming calendar year.
4. The City transfers to the Utility Fund each month the amount by which the City's "Normal" cost of electric power and energy exceeds thirty eight (38) mills per kilowatt-hour. "Normal" cost of power and energy is the amount paid per kilowatt hour under the current or future power purchase agreements exclusive of power purchased under economic development rate schedules or any other discounted rate schedule which results in a cost which is less than thirty eight (38) mills per kilowatt hour.
5. The rebate of an amount, to be determined by the Mayor and Board of Aldermen, to the then current retail customers of the City's Municipal Electric System. This amount shall not exceed fifty percent (50%) of the revenues remaining after payment of amounts noted in items one (1) through four (4). The amount rebated to each class of retail customer shall be determined by applying to the total amount to be rebated the percentage which the gross margin from retail electric sales to each class of customer bears to total gross margin from all retail sales of electric power. This rebate will be based on kilowatt hour usage during the previous calendar year and shall not exceed fifty percent (50%) of each customer's total electric billing during that period. In all cases, the City reserves the right to offset any and all amounts due it from individual customers.
6. The transfer to the City's General Fund an amount necessary to offset any deficits incurred in the operation and maintenance of all nonutility municipal services.
7. Revenue not expended as previously stated shall be considered surplus revenue and may be used for any lawful corporate purpose after satisfying the following conditions:

The Mayor and Board of Aldermen shall annually compile a schedule of projects on which these surplus revenues are proposed to be expended. A summary of these projects shall be published and the public notified that details are available for public inspection. At the same time, a minimum of two (2) public hearings shall be called to discuss the proposed projects and receive public input concerning possible alternative uses of surplus funds.

After holding the required public hearings and giving due consideration of public input, the Board of Aldermen shall approve the expenditures of surplus funds for projects deemed to be in the best public interest.

None of the foregoing shall preclude the loaning of funds to any municipal entity of the City of Vidalia providing that said loan with interest equal to the average rate of return on the investment of surplus municipal funds shall be repaid prior to the expiration of the term of the Mayor and Board of Aldermen authorizing said loan.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 15 – CITY OF VIDALIA – HYDROELECTRIC PROJECT (continued)

C. Option to Purchase the Hydroelectric Project

The Partnership has granted to the City of Vidalia an option to purchase, at any time on or after January 1, 2030, but before January 1, 2032, all of the Partnership's rights, title and interest in and to the hydroelectric project, as then constituted, subject to any permitted mortgages then outstanding at the price of (i) \$1,000 payable in cash at closing, and (ii) the balance payable on or before the 15th of each month following the month in which the sale of the project occurs through December 31, 2132, in an amount equal to two-thirds of the cash available for distribution during the preceding month.

This option shall be exercisable by the City of Vidalia only by twelve months prior written notice given by the City to the Partnership, provided, however, that the Partnership shall give written notice to the City of Vidalia during the year 2029 for the City's exercise of its option to purchase.

NOTE 16 – PRIOR PERIOD ADJUSTMENT

A summary of significant fund equity adjustments is as follows:

Statement B – Statement of Activities

<i>Governmental Activities: Ambulance fund</i>	<u>Amount</u>
<u>Explanation</u>	
Overstatement of prepaid assets	\$ <u>4,551</u>

Beginning fund balance and prior year amounts were restated to reflect this adjustment.

NOTE 17 – RECLASSIFICATION

The Hydro Royalty Fund has been reclassified from a business-type activity (Enterprise Fund) to a governmental activity (Special Revenue Fund). Prior year balances have been restated to reflect this change.

The effect of this reclassification was to decrease total net assets of the business-type activities by \$5,595,332 and increase in total net assets of the governmental activities by \$5,595,332.

Required Supplemental Information (Part II)

CITY OF VIDALIA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 175,000	\$ 175,000	\$ 176,499	\$ 1,499
Licenses and permits	150,000	138,000	171,436	33,436
Fines and forfeits	57,500	43,750	50,832	7,082
Intergovernmental	132,464	135,000	193,977	58,977
Charges for services	278,142	268,000	269,870	1,870
Other	18,000	28,000	26,246	(1,754)
Total revenues	<u>\$ 811,106</u>	<u>\$ 787,750</u>	<u>\$ 888,860</u>	<u>\$ 101,110</u>
Expenditures				
Current				
Personal services	\$ 2,356,132	\$ 2,468,869	\$ 2,482,689	\$ (13,820)
Materials and supplies	341,514	446,098	465,050	(18,952)
Other services and charges	505,198	630,953	663,380	(32,427)
Capital outlay				
Machinery and equipment	280,500	327,430	330,860	(3,430)
Other improvements	-	15,000	-	15,000
Total expenditures	<u>\$ 3,483,344</u>	<u>\$ 3,888,350</u>	<u>\$ 3,941,979</u>	<u>\$ (53,629)</u>
Excess of expenditures before operating transfers	<u>\$ (2,672,238)</u>	<u>\$ (3,100,600)</u>	<u>\$ (3,053,119)</u>	<u>\$ 47,481</u>
Other financing sources (uses)				
Operating transfers – in	\$ 2,500,000	\$ 3,015,000	\$ 3,015,000	\$ -
Operating transfers – out	(85,000)	(130,000)	(135,000)	(5,000)
Total other financing sources (uses)	<u>\$ 2,415,000</u>	<u>\$ 2,885,000</u>	<u>\$ 2,880,000</u>	<u>\$ (5,000)</u>
Net change in fund balance	<u>\$ (257,238)</u>	<u>\$ (215,600)</u>	<u>\$ (173,119)</u>	<u>\$ 42,481</u>
Fund balance – beginning of year	<u>466,487</u>	<u>466,487</u>	<u>466,487</u>	<u>-</u>
Fund balance – end of year	<u>\$ 209,249</u>	<u>\$ 250,887</u>	<u>\$ 293,368</u>	<u>\$ 42,481</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
HYDRO ROYALTY FUND
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 1,780,000	\$ 2,348,500	\$ 2,422,234	\$ 73,734
Other	<u>7,431,000</u>	<u>11,410,500</u>	<u>11,503,475</u>	<u>92,975</u>
Total revenues	<u>\$ 9,211,000</u>	<u>\$ 13,759,000</u>	<u>\$ 13,925,709</u>	<u>\$ 166,709</u>
Expenditures				
Current				
Materials and supplies	\$ 2,000	\$ 3,000	\$ 1,698	\$ 1,302
Other services and charges	<u>6,870,000</u>	<u>10,200,000</u>	<u>10,247,675</u>	<u>(47,675)</u>
Total expenditures	<u>\$ 6,872,000</u>	<u>\$ 10,203,000</u>	<u>\$ 10,249,373</u>	<u>\$ (46,373)</u>
Excess of expenditures before operating transfers	<u>\$ 2,339,000</u>	<u>\$ 3,556,000</u>	<u>\$ 3,676,336</u>	<u>\$ 120,336</u>
Other financing sources (uses)				
Operating transfers – out	<u>\$ (2,100,000)</u>	<u>\$ (2,293,600)</u>	<u>\$ (2,668,611)</u>	<u>\$ (375,011)</u>
Total other financing sources (uses)	<u>\$ (2,100,000)</u>	<u>\$ (2,293,600)</u>	<u>\$ (2,668,611)</u>	<u>\$ (375,011)</u>
Net change in fund balance	<u>\$ 239,000</u>	<u>\$ 1,262,400</u>	<u>\$ 1,007,725</u>	<u>\$ (254,675)</u>
Fund balance – beginning of year	<u>5,595,332</u>	<u>5,595,332</u>	<u>5,595,332</u>	<u>-</u>
Fund balance – end of year	<u>\$ 5,834,332</u>	<u>\$ 6,857,732</u>	<u>\$ 6,603,057</u>	<u>\$ (254,675)</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2005

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Board of Aldermen. Amendments can be made on the approval of the Board of Aldermen. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America.

Other Supplemental Information

Nonmajor Governmental Funds

CITY OF VIDALIA, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

	Special Revenue			Debt Service			Capital Projects			
	City			Sales Tax			LCDBG			
	Sales Tax Fund	Ambulance Fund	Court Fund	Sinking Fund	Sales Tax Reserve Fund	Total	Sales Tax Bond Construction Fund	Public Facilities Program Fund	Total	Total Nonmajor Governmental Funds
Assets										
Cash and cash equivalents	\$ 106,339	\$ 3,012	\$ 128,240	\$ 237,591	\$ 144,665	\$ 610,032	\$ 57,451	\$ 70	\$ 57,521	\$ 1,049,809
Receivables (net of allowance for uncollectibles)	120,657	30,164	3,835	154,656	-	-	-	-	-	154,656
Due from other agencies	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	71,840	-	71,840	71,840
Due from other funds	277,134	24,176	-	301,310	-	-	119,038	-	119,038	420,348
Prepaid expenses	-	1,418	-	1,418	-	-	-	-	-	1,418
Total assets	\$ 504,130	\$ 58,770	\$ 132,075	\$ 694,975	\$ 144,665	\$ 610,032	\$ 248,329	\$ 70	\$ 248,399	\$ 1,698,071
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	\$ 1,942	\$ 1,886	\$ -	\$ 3,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,828
Accrued liabilities	-	24,539	-	24,539	-	-	-	-	-	24,539
Due to other funds	14,105	12,504	2,017	28,626	-	17,842	-	-	-	46,468
Other liabilities	-	-	17,637	17,637	-	-	-	-	-	17,637
Total liabilities	\$ 16,047	\$ 38,929	\$ 19,654	\$ 74,630	\$ -	\$ 17,842	\$ -	\$ -	\$ -	\$ 92,472
Fund balances:										
Reserved for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 592,190	\$ 736,855	\$ -	\$ -	\$ -	\$ 736,855
Capital projects	-	-	-	-	-	-	248,329	70	248,399	248,399
Unreserved, undesignated	488,083	19,841	112,421	620,345	-	-	-	-	-	620,345
Total fund balances	\$ 488,083	\$ 19,841	\$ 112,421	\$ 620,345	\$ 144,665	\$ 592,190	\$ 248,329	\$ 70	\$ 248,399	\$ 1,605,599
Total liabilities and fund balances	\$ 504,130	\$ 58,770	\$ 132,075	\$ 694,975	\$ 144,665	\$ 610,032	\$ 248,329	\$ 70	\$ 248,399	\$ 1,698,071

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
NONMAJOR GOVERNMENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

	Special Revenue				Debt Service				Capital Projects			
	City				Sales Tax				LCDBG			
	Sales Tax Fund	Ambulance Fund	Court Fund	Total	Sinking Fund	Sales Tax Reserve Fund	Total		Sales Tax Bond Construction Fund	Public Facilities Program Fund	Total	Total Nonmajor Governmental Funds
Revenues												
Sales and use	\$1,036,089	\$ 259,022	\$ -	\$1,295,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,295,111
Intergovernmental revenues:												
Federal	-	-	-	-	-	-	-	-	-	-	-	-
State	-	25,200	-	25,200	-	-	-	-	-	-	-	25,200
Local	-	-	-	-	-	-	-	-	-	-	-	71,840
Charges for services	-	43,724	66,121	109,845	-	-	-	-	-	-	-	109,845
Investment earnings	574	95	-	669	1,525	8,753	10,278	-	-	-	-	10,947
Other revenues	-	4,025	-	4,025	-	-	-	-	-	-	-	4,025
Total revenues	\$1,036,663	\$ 332,066	\$ 66,121	\$1,434,850	\$ 1,525	\$ 8,753	\$ 10,278	\$ -	\$ 71,840	\$ -	\$ 71,840	\$ 1,516,968
Expenditures												
General government	\$ 22,860	\$ -	\$ 68,631	\$ 91,491	\$ -	\$ -	\$ -	\$ -	\$ 25,095	\$ -	\$ 25,095	\$ 116,586
Public safety	-	394,934	-	394,934	-	-	-	-	-	-	-	394,934
Public works	585	-	-	585	-	-	-	-	9,730	-	9,730	10,315
Capital outlay	-	-	-	-	-	-	-	-	-	18,430	18,430	18,430
Debt service	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	255,000	-	255,000	-	-	-	-	255,000
Interest and fiscal fees	-	-	-	-	313,402	-	313,402	-	-	-	-	313,402
Total expenditures	\$ 23,445	\$ 394,934	\$ 68,631	\$ 487,010	\$ 568,402	\$ -	\$ 568,402	\$ -	\$ 34,825	\$ 18,430	\$ 53,255	\$ 1,108,667
Excess (deficiency) of revenues over expenditures	\$1,013,218	\$ (62,868)	\$ (2,510)	\$ 947,840	\$ (566,877)	\$ 8,753	\$ (558,124)	\$ -	\$ 37,015	\$ (18,430)	\$ 18,585	\$ 408,301

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CITY OF VIDALIA, LOUISIANA
NONMAJOR GOVERNMENT FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

	Special Revenue			Debt Service			Capital Projects			
	Sales Tax Fund	Ambulance Fund	City Court Fund	Sales Tax Sinking Fund	Sales Tax Reserve Fund	Total	Sales Tax Bond Construction Fund	Public Facilities Program Fund	Total	Total Nonmajor Governmental Funds
Other financing sources (uses)										
Transfers - in	\$ 35,683	\$ 80,000	\$ -	\$ 115,683	\$ 574,076	\$ -	\$ -	\$ 18,500	\$ 18,500	\$ 708,259
Transfers - out	(984,076)	-	-	(984,076)	-	(35,683)	(115,000)	-	(115,000)	(1,134,759)
Total other financing sources and uses	\$ (948,393)	\$ 80,000	\$ -	\$ (868,393)	\$ 574,076	\$ (35,683)	\$ (115,000)	\$ 18,500	\$ (96,500)	\$ (426,500)
Net change in fund balance	\$ 64,825	\$ 17,132	\$ (2,510)	\$ 79,447	\$ 7,199	\$ (26,930)	\$ (77,985)	\$ 70	\$ (77,915)	\$ (18,199)
Fund balances - beginning	423,258	2,709	114,931	540,898	137,466	756,586	326,314	-	326,314	1,623,798
Fund balances - ending	\$ 488,083	\$ 19,841	\$ 112,421	\$ 620,345	\$ 144,665	\$ 736,855	\$ 248,329	\$ 70	\$ 248,399	\$ 1,605,599

The accompanying notes are an integral part of this financial statement.

Comparative/Combining Financial Statements and Schedules

GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

CITY OF VIDALIA, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>		
Cash	\$ 410,787	\$ 45,349
Accounts receivable, net of allowance for estimated uncollectibles (2005 - \$1,395 and 2004 - \$1,395)	30,172	36,133
Due from other agencies	-	1,818
Due from other funds	79,369	617,794
Due from other governments	21,067	19,918
Prepaid expense	<u>1,126</u>	<u>5,328</u>
Total assets	<u>\$ 542,521</u>	<u>\$ 726,340</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities		
Accounts payable	\$ 88,809	\$ 110,009
Accrued liabilities	115,826	119,844
Due to other funds	<u>44,518</u>	<u>30,000</u>
Total liabilities	<u>\$ 249,153</u>	<u>\$ 259,853</u>
Fund balance - (unreserved)	<u>\$ 293,368</u>	<u>\$ 466,487</u>
Total liabilities and fund balance	<u>\$ 542,521</u>	<u>\$ 726,340</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>REVENUES</u>				
Taxes	\$ 175,000	\$ 176,499	\$ 1,499	\$ 174,790
Licenses and permits	138,000	171,436	33,436	155,309
Fines and forfeits	43,750	50,832	7,082	44,118
Intergovernmental revenue	135,000	193,977	58,977	119,280
Charges for services	268,000	269,870	1,870	268,792
Other	28,000	26,246	(1,754)	21,472
Total revenues	\$ 787,750	\$ 888,860	\$ 101,110	\$ 783,761
<u>EXPENDITURES</u>				
Current				
Personal services	\$ 2,468,869	\$ 2,482,689	\$ (13,820)	\$ 2,261,332
Materials and supplies	446,098	465,050	(18,952)	362,770
Other services and charges	630,953	663,380	(32,427)	542,487
Capital outlay				
Machinery and equipment	327,430	330,860	(3,430)	103,060
Other improvements	15,000	-	15,000	-
Total expenditures	\$ 3,888,350	\$ 3,941,979	\$ (53,629)	\$ 3,269,649
Excess of expenditures before operating transfers	\$ (3,100,600)	\$ (3,053,119)	\$ 47,481	\$ (2,485,888)
<u>OPERATING TRANSFERS</u>				
Transfers – in	3,015,000	3,015,000	-	2,929,237
Transfers – out	(130,000)	(135,000)	(5,000)	(30,000)
Excess of revenues and transfers – in (expenditures and transfers – out)	\$ (215,600)	\$ (173,119)	\$ 42,481	\$ 413,349
<u>FUND BALANCE (DEFICIT) – BEGINNING</u>				
	\$ 466,487	\$ 466,487	\$ -	\$ 53,138
<u>FUND BALANCE – ENDING</u>				
	\$ 250,887	\$ 293,368	\$ 42,481	\$ 466,487

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>GENERAL AND ADMINISTRATIVE</u>				
Personal Services				
Salaries and wages	\$ 70,500	\$ 71,375	\$ (875)	\$ 75,500
Employee benefits	<u>32,740</u>	<u>30,696</u>	<u>2,044</u>	<u>29,490</u>
Total personal services	\$ 103,240	\$ 102,071	\$ 1,169	\$ 104,990
Materials and Supplies				
Office supplies	\$ 7,256	\$ 8,509	\$ (1,253)	\$ 10,960
Operating supplies	17,624	21,184	(3,560)	16,325
Repair and maintenance supplies	<u>6,500</u>	<u>6,760</u>	<u>(260)</u>	<u>12,600</u>
Total materials and supplies	\$ 31,380	\$ 36,453	\$ (5,073)	\$ 39,885
Other Services and Charges				
Professional fees	\$ 76,000	\$ 94,670	\$ (18,670)	\$ 95,682
Communications	14,820	14,895	(75)	12,733
Travel and seminar	7,000	8,188	(1,188)	9,717
Advertising	27,350	28,736	(1,386)	23,993
Dues and subscriptions	4,700	5,848	(1,148)	3,984
Insurance	18,970	19,155	(185)	11,530
Utility service	24,622	24,562	60	17,190
Repair and maintenance	13,020	34,529	(21,509)	17,761
Landfill fees and rentals	17,400	1,672	15,728	-
Bad debts	<u>-</u>	<u>2,233</u>	<u>(2,233)</u>	<u>512</u>
Total other services and charges	\$ 203,882	\$ 234,488	\$ (30,606)	\$ 193,102
Capital Outlay				
Machinery and equipment	\$ -	\$ 4,448	\$ (4,448)	\$ 7,569
Total capital outlay	\$ -	\$ 4,448	\$ (4,448)	\$ 7,569
Total General and Administrative expenditures	\$ 338,502	\$ 377,460	\$ (38,958)	\$ 345,546

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>STREET DEPARTMENT</u>				
Personal Services				
Salaries and wages	\$ 344,250	\$ 343,786	\$ 464	\$ 290,199
Employee benefits	<u>139,137</u>	<u>143,511</u>	<u>(4,374)</u>	<u>117,198</u>
Total personal services	\$ 483,387	\$ 487,297	\$ (3,910)	\$ 407,397
Materials and Supplies				
Office supplies	\$ 2,300	\$ 1,921	\$ 379	\$ 874
Operating supplies	83,026	87,321	(4,295)	56,216
Repair and maintenance supplies	<u>148,232</u>	<u>158,369</u>	<u>(10,137)</u>	<u>116,736</u>
Total materials and supplies	\$ 233,558	\$ 247,611	\$ (14,053)	\$ 173,826
Other Services and Charges				
Professional fees	\$ 3,900	\$ 8,634	\$ (4,734)	\$ 4,358
Communications	3,830	3,784	46	3,115
Travel and seminar	300	282	18	180
Advertising	-	-	-	96
Dues and subscriptions	300	324	(24)	-
Insurance	11,460	11,535	(75)	12,169
Utility service	26,620	25,652	968	23,836
Repair and maintenance	25,200	15,009	10,191	857
Landfill fees and rentals	<u>8,850</u>	<u>5,851</u>	<u>2,999</u>	<u>3,881</u>
Total other services and charges	\$ 80,460	\$ 71,071	\$ 9,389	\$ 48,492
Capital Outlay				
Machinery and equipment	\$ 78,830	\$ 77,830	\$ 1,000	\$ 81,586
Other improvement	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total capital outlay	\$ 93,830	\$ 77,830	\$ 16,000	\$ 81,586
Total Street Department expenditures	\$ 891,235	\$ 883,809	\$ 7,426	\$ 711,301

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>SANITATION DEPARTMENT</u>				
Personal Services				
Salaries and wages	\$ 201,560	\$ 204,539	\$ (2,979)	\$ 203,231
Employee benefits	<u>97,702</u>	<u>97,940</u>	<u>(238)</u>	<u>96,481</u>
Total personal services	<u>\$ 299,262</u>	<u>\$ 302,479</u>	<u>\$ (3,217)</u>	<u>\$ 299,712</u>
Materials and Supplies				
Operating supplies	\$ 21,175	\$ 21,361	\$ (186)	\$ 13,613
Repair and maintenance supplies	<u>400</u>	<u>-</u>	<u>400</u>	<u>3,157</u>
Total materials and supplies	<u>\$ 21,575</u>	<u>\$ 21,361</u>	<u>\$ 214</u>	<u>\$ 16,770</u>
Other Services and Charges				
Professional fees	\$ -	\$ -	\$ -	\$ 1,199
Travel and seminar	-	81	(81)	-
Insurance	15,760	15,758	2	5,391
Repairs and maintenance	-	100	(100)	-
Landfill fees and rentals	147,500	145,435	2,065	147,942
Bad debts	<u>-</u>	<u>586</u>	<u>(586)</u>	<u>677</u>
Total other services and charges	<u>\$ 163,260</u>	<u>\$ 161,960</u>	<u>\$ 1,300</u>	<u>\$ 155,209</u>
Capital Outlay				
Machinery and equipment	\$ 22,000	\$ 22,000	\$ -	\$ -
Total capital outlay	<u>\$ 22,000</u>	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>
Total Sanitation Department expenditures	<u>\$ 506,097</u>	<u>\$ 507,800</u>	<u>\$ (1,703)</u>	<u>\$ 471,691</u>

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>POLICE DEPARTMENT</u>				
Personal Services				
Salaries and wages	\$ 784,150	\$ 778,183	\$ 5,967	\$ 702,155
Employee benefits	<u>270,850</u>	<u>271,918</u>	<u>(1,068)</u>	<u>269,655</u>
Total personal services	\$ 1,055,000	\$ 1,050,101	\$ 4,899	\$ 971,810
Materials and Supplies				
Office supplies	\$ 5,510	\$ 5,075	\$ 435	\$ 5,125
Operating supplies	67,325	70,749	(3,424)	56,034
Repair and maintenance supplies	<u>42,220</u>	<u>39,215</u>	<u>3,005</u>	<u>40,877</u>
Total materials and supplies	\$ 115,055	\$ 115,039	\$ 16	\$ 102,036
Other Services and Charges				
Professional fees	\$ 15,775	\$ 16,625	\$ (850)	\$ 8,845
Communications	9,705	10,468	(763)	7,725
Travel and seminar	14,130	14,502	(372)	7,177
Advertising	200	175	25	175
Dues and subscriptions	2,200	1,903	297	1,247
Insurance	80,500	81,271	(771)	60,822
Utility service	14,500	16,560	(2,060)	12,511
Repair and maintenance	8,610	15,077	(6,467)	5,388
Landfill fees and rentals	<u>2,775</u>	<u>2,520</u>	<u>255</u>	<u>495</u>
Total other services and charges	\$ 148,395	\$ 159,101	\$ (10,706)	\$ 104,385
Capital Outlay				
Machinery and equipment	\$ 67,400	\$ 72,068	\$ (4,668)	\$ 13,905
Total capital outlay	\$ 67,400	\$ 72,068	\$ (4,668)	\$ 13,905
Total Police Department expenditures	\$ 1,385,850	\$ 1,396,309	\$ (10,459)	\$ 1,192,136

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>FIRE DEPARTMENT</u>				
Personal Services				
Salaries and wages	\$ 313,260	\$ 319,690	\$ (6,430)	\$ 276,457
Employee benefits	<u>123,000</u>	<u>128,762</u>	<u>(5,762)</u>	<u>98,042</u>
Total personal services	\$ 436,260	\$ 448,452	\$ (12,192)	\$ 374,499
Materials and Supplies				
Office supplies	\$ 3,410	\$ 3,111	\$ 299	\$ 2,116
Operating supplies	25,750	23,459	2,291	18,713
Repair and maintenance supplies	<u>14,170</u>	<u>16,830</u>	<u>(2,660)</u>	<u>9,143</u>
Total materials and supplies	\$ 43,330	\$ 43,400	\$ (70)	\$ 29,972
Other Services and Charges				
Professional fees	\$ 600	\$ 1,330	\$ (730)	\$ 857
Communications	7,215	7,097	118	5,061
Travel and seminar	5,000	5,355	(355)	9,372
Advertising	75	-	75	235
Dues and subscriptions	1,577	2,145	(568)	1,706
Insurance	6,740	7,186	(446)	7,169
Utility service	5,200	4,602	598	6,872
Repair and maintenance	1,100	1,039	61	3,040
Landfill fees and rentals	<u>150</u>	<u>54</u>	<u>96</u>	<u>55</u>
Total other services and charges	\$ 27,657	\$ 28,808	\$ (1,151)	\$ 34,367
Capital Outlay				
Machinery and equipment	\$ 159,200	\$ 154,514	\$ 4,686	\$ -
Total capital outlay	\$ 159,200	\$ 154,514	\$ 4,686	\$ -
Total Fire Department expenditures	\$ 666,447	\$ 675,174	\$ (8,727)	\$ 438,838

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>CITY COURT</u>				
Personal Services				
Salaries and wages	\$ 67,220	\$ 67,410	\$ (190)	\$ 69,685
Employee benefits	<u>24,500</u>	<u>24,879</u>	<u>(379)</u>	<u>33,239</u>
Total personal services	<u>\$ 91,720</u>	<u>\$ 92,289</u>	<u>\$ (569)</u>	<u>\$ 102,924</u>
Materials and Supplies				
Repair and maintenance supplies	\$ 1,200	\$ 1,186	\$ 14	\$ 281
Total materials and supplies	<u>\$ 1,200</u>	<u>\$ 1,186</u>	<u>\$ 14</u>	<u>\$ 281</u>
Other Services and Charges				
Communications	\$ 2,900	\$ 3,266	\$ (366)	\$ 1,848
Dues and subscriptions	-	-	-	30
Insurance	1,930	1,956	(26)	1,914
Repair and maintenance	2,469	2,427	42	3,140
Landfill fees and rentals	<u>-</u>	<u>303</u>	<u>(303)</u>	<u>-</u>
Total other services and charges	<u>\$ 7,299</u>	<u>\$ 7,952</u>	<u>\$ (653)</u>	<u>\$ 6,932</u>
Total City Court expenditures	<u>\$ 100,219</u>	<u>\$ 101,427</u>	<u>\$ (1,208)</u>	<u>\$ 110,137</u>

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CITY OF VIDALIA, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
Total expenditures – all departments	\$ 3,888,350	\$ 3,941,979	\$ (53,629)	\$ 3,269,649

The accompanying notes are an integral part of this financial statement.

SPECIAL REVENUE FUNDS**MAJOR FUND:****Hydro Royalty Fund**

To account for the revenues and expenditures of the Hydroelectric project.

NONMAJOR FUNDS:**Sales Tax Fund**

To account for the collection and expenditure of sales tax revenues as provided by ordinance.

Ambulance Fund

To account for the collection and expenditure of sales tax dedicated for the purpose of providing the Community with ambulance service.

City Court Fund

To account for the operations of the Court as required by Louisiana Revised Statute and to facilitate control over receipts and payment of expenses connected with collection of revenue. City Marshall's balances and transactions are accounted for in this Fund. Excess revenue is available for transfer to General Fund.

CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2004

	Major Fund Hydro Royalty Fund	Nonmajor Funds		Totals	
		Sales Tax Fund	Ambulance Fund	City Court Fund	
ASSETS					
Cash	\$ 401,067	\$ 106,339	\$ 3,012	\$ 128,240	\$ 638,658 \$ 1,429,191
Temporary investments – time deposits	3,750,000	-	-	-	3,750,000 2,750,000
Accounts receivable, net of allowance for uncollectibles; (2005 - \$82,125 and 2004 - \$78,670)	24,694	120,657	30,164	3,835	179,350 116,041
Due from other agencies	3,088,959	-	-	-	3,088,959 3,506,383
Due from other funds	175,000	277,134	24,176	-	476,310 295,627
Prepaid expenses	-	-	1,418	-	1,418 -
Total assets	\$ 7,439,720	\$ 504,130	\$ 58,770	\$ 132,075	\$ 8,134,695 \$ 8,097,242
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 632,747	\$ 1,942	\$ 1,886	\$ -	\$ 636,575 \$ 961,947
Accrued liabilities	-	-	24,539	-	24,539 21,977
Bonds on hand	-	-	-	17,637	17,637 19,824
Due to other funds	203,916	14,105	12,504	2,017	232,542 957,264
Total liabilities	\$ 836,663	\$ 16,047	\$ 38,929	\$ 19,654	\$ 911,293 \$ 1,961,012
Fund balance					
Unreserved	\$ 6,603,057	\$ 488,083	\$ 19,841	\$ 112,421	\$ 7,223,402 \$ 6,136,230
Total fund balance	\$ 6,603,057	\$ 488,083	\$ 19,841	\$ 112,421	\$ 7,223,402 \$ 6,136,230
Total liabilities and fund balance	\$ 7,439,720	\$ 504,130	\$ 58,770	\$ 132,075	\$ 8,134,695 \$ 8,097,242

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2004

	Major Fund	Nonmajor Funds		Totals	
	Hydro Royalty Fund	Sales Tax Fund	Ambulance Fund	City Court Fund	
REVENUES					
Taxes	\$ -	\$ 1,036,089	\$ 259,022	\$ -	\$ 1,295,111
Intergovernmental revenues	-	-	25,200	-	25,200
Charges for services	2,422,234	-	43,724	66,121	2,532,079
Other	11,503,475	574	4,120	-	11,508,169
Total revenues	\$ 13,925,709	\$ 1,036,663	\$ 332,066	\$ 66,121	\$ 15,360,559
					\$ 13,000,521
EXPENDITURES					
Current					
General government	\$ 10,249,373	\$ 22,860	\$ -	\$ 68,631	\$ 10,340,864
Public safety	-	-	-	-	-
Ambulance	-	-	394,934	-	394,934
Public Works	-	-	-	-	-
Streets	-	585	-	-	585
Capital outlay	-	-	-	-	-
Machinery and equipment	-	-	-	-	-
Total expenditures	\$ 10,249,373	\$ 23,445	\$ 394,934	\$ 68,631	\$ 10,736,383
Excess of revenues (expenditures)	\$ 3,676,336	\$ 1,013,218	\$ (62,868)	\$ (2,510)	\$ 4,624,176
					\$ 3,977,428
OPERATING TRANSFERS					
Transfers - in	-	35,683	80,000	-	115,683
Transfers - out	(2,668,611)	(984,076)	-	-	(3,652,687)
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ 1,007,725	\$ 64,825	\$ 17,132	\$ (2,510)	\$ 1,087,172
					\$ 1,001,067
FUND BALANCE - BEGINNING	5,595,332	423,258	2,709	114,931	6,136,230
					5,135,163
FUND BALANCE - ENDING	\$ 6,603,057	\$ 488,083	\$ 19,841	\$ 112,421	\$ 7,223,402
					\$ 6,136,230

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUND
HYDRO ROYALTY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>REVENUES</u>				
Charges for services	\$ 2,348,500	\$ 2,422,234	\$ 73,734	\$ 2,228,746
Other	<u>11,410,500</u>	<u>11,503,475</u>	<u>92,975</u>	<u>9,342,443</u>
Total revenues	\$ 13,759,000	\$13,925,709	\$ 166,709	\$ 11,571,189
<u>EXPENDITURES</u>				
Current				
Materials and supplies	\$ 3,000	\$ 1,698	\$ 1,302	\$ -
Other services and charges	<u>10,200,000</u>	<u>10,247,675</u>	<u>(47,675)</u>	<u>8,587,923</u>
Total expenditures	\$ 10,203,000	\$10,249,373	\$ (46,373)	\$ 8,587,923
Excess of revenues before operating transfers	\$ 3,556,000	\$ 3,676,336	\$ 120,336	\$ 2,983,266
<u>OPERATING TRANSFERS</u>				
Transfers - out	<u>(2,293,600)</u>	<u>(2,668,611)</u>	<u>(375,011)</u>	<u>(1,991,913)</u>
Excess of revenues	\$ 1,262,400	\$ 1,007,725	\$ (254,675)	\$ 991,353
<u>FUND BALANCE - BEGINNING</u>	<u>5,595,332</u>	<u>5,595,332</u>	<u>-</u>	<u>4,603,979</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 6,857,732</u>	<u>\$ 6,603,057</u>	<u>\$ (254,675)</u>	<u>\$ 5,595,332</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	2005			2004
	Budget	Actual	Variance	Actual
<u>REVENUES</u>				
Taxes	\$ 972,800	\$ 1,036,089	\$ 63,289	\$ 1,041,419
Other	500	574	74	1,899
Total revenues	\$ 973,300	\$ 1,036,663	\$ 63,363	\$ 1,043,318
<u>EXPENDITURES</u>				
Current				
Materials and supplies	\$ 100	\$ 32	\$ 68	\$ -
Other services and charges	45,500	23,413	22,087	23,367
Capital outlay				
Land and right of ways	15,000	-	15,000	-
Other improvements	35,000	-	35,000	-
Total expenditures	\$ 95,600	\$ 23,445	\$ 72,155	\$ 23,367
Excess of revenues	\$ 877,700	\$ 1,013,218	\$ 135,518	\$ 1,019,951
<u>OPERATING TRANSFERS</u>				
Transfers – in	12,000	35,683	23,683	-
Transfers – out	(1,096,075)	(984,076)	111,999	(1,005,211)
Excess of revenues (expenditures and transfers – out)	\$ (206,375)	\$ 64,825	\$ 271,200	\$ 14,740
<u>FUND BALANCE – BEGINNING</u>	423,258	423,258	-	408,518
<u>FUND BALANCE – ENDING</u>	\$ 216,883	\$ 488,083	\$ 271,200	\$ 423,258

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUND
AMBULANCE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	Budget	2005 Actual	Variance	2004 Actual
<u>REVENUES</u>				
Taxes	\$ 257,000	\$ 259,022	\$ 2,022	\$ 260,409
Intergovernmental	25,250	25,200	(50)	23,400
Charges for services	44,000	43,724	(276)	54,152
Other	4,100	4,120	20	66
Total revenues	\$ 330,350	\$ 332,066	\$ 1,716	\$ 338,027
<u>EXPENDITURES</u>				
Current				
Personal services	\$ 360,000	\$ 365,390	\$ (5,390)	\$ 339,755
Materials and supplies	6,350	4,614	1,736	2,165
Other services and charges	24,000	24,930	(930)	23,079
Total expenditures	\$ 390,350	\$ 394,934	\$ (4,584)	\$ 364,999
Excess of expenditures	\$ (60,000)	\$ (62,868)	\$ (2,868)	\$ (26,972)
<u>OPERATING TRANSFERS</u>				
Transfers – in	\$ 80,000	\$ 80,000	-	\$ 30,000
Excess of revenues and transfers – in	\$ 20,000	\$ 17,132	\$ (2,868)	\$ 3,028
<u>FUND BALANCE – BEGINNING</u>	7,260	2,709	(4,551)	4,232
<u>FUND BALANCE – ENDING</u>	\$ 27,260	\$ 19,841	\$ (7,419)	\$ 7,260

The accompanying notes are an integral part of this financial statement.

**CITY OF VIDALIA, LOUISIANA
SPECIAL REVENUE FUND
CITY COURT FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL**

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	Budget	2005 Actual	Variance	2004 Actual
<u>REVENUES</u>				
Charges for services	\$ -	\$ 66,121	\$ 66,121	\$ 47,987
Total revenues	\$ -	\$ 66,121	\$ 66,121	\$ 47,987
<u>EXPENDITURES</u>				
Current				
Materials and supplies	\$ -	\$ 14,350	\$ (14,350)	\$ 4,839
Other services and charges	-	54,281	(54,281)	34,753
Capital outlay				
Machinery and equipment	-	-	-	2,661
Total expenditures	\$ -	\$ 68,631	\$ (68,631)	\$ 42,253
Excess of revenues (expenditures)	\$ -	\$ (2,510)	\$ (2,510)	\$ 5,734
<u>OPERATING TRANSFERS</u>				
Transfers - out	\$ -	\$ -	\$ -	\$ (9,237)
Excess of expenditures and transfers - out	\$ -	\$ (2,510)	\$ (2,510)	\$ (3,503)
<u>FUND BALANCE - BEGINNING</u>	-	114,931	114,931	118,434
<u>FUND BALANCE - ENDING</u>	\$ -	\$ 112,421	\$ 112,421	\$ 114,931

The accompanying notes are an integral part of this financial statement.

DEBT SERVICE FUNDS**NONMAJOR FUNDS:****SALES TAX BONDS SINKING AND RESERVE FUNDS*****Sales Tax Bonds Sinking Fund***

To accumulate monies for the payment of the Sales Tax Bonds dated December 1, 1999, in the amount of \$3,310,000, and to accumulate monies for the payment of the Sales Tax Bonds dated June 1, 2000, in the amount of \$3,535,000. Financing to be provided by a special 1% sales tax.

Sales Tax Bonds Reserve Fund

To accumulate monies as required by ST-1999 and ST-2000 Bond Ordinances for Payment of Bonds and Coupons in the event adequate amounts are not available in the Sinking Fund.

CITY OF VIDALIA, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2005
WITH COMPARATIVE TOTALS FOR JUNE 30, 2004

	<u>Nonmajor Funds</u>		<u>Totals</u>	
	<u>Sales Tax Bonds Sinking Fund</u>	<u>Sales Tax Bonds Reserve Fund</u>	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>				
Cash	\$ 144,665	\$ 610,032	\$ 754,697	\$ 91,858
Temporary investments	-	-	-	613,000
Accrued interest	-	-	-	4,119
Due from Sales Tax Fund	-	-	-	47,609
Total assets	\$ 144,665	\$ 610,032	\$ 754,697	\$ 756,586
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Due to Sales Tax Fund	\$ -	\$ 17,842	\$ 17,842	\$ -
Total liabilities	-	17,842	17,842	-
Fund balance				
Available for Debt Service	\$ 144,665	\$ 592,190	\$ 736,855	\$ 756,586
Total fund balance	144,665	592,190	736,855	756,856
Total liabilities and fund balance	\$ 144,665	\$ 610,032	\$ 754,697	\$ 756,586

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE TOTALS FOR JUNE 30, 2004

	<u>Nonmajor Funds</u>		<u>Totals</u>	
	<u>Sales Tax Bonds Sinking Fund</u>	<u>Sales Tax Bonds Reserve Fund</u>	<u>2005</u>	<u>2004</u>
<u>REVENUES</u>				
Interest earned on investments	\$ 1,525	\$ 8,753	\$ 10,278	\$ 15,177
Total revenues	\$ 1,525	\$ 8,753	\$ 10,278	\$ 15,177
<u>EXPENDITURES</u>				
Debt Service				
Principal	\$ 255,000	\$ -	\$ 255,000	\$ 245,000
Interest and fiscal fees	313,402	-	313,402	324,818
Total expenditures	\$ 568,402	\$ -	\$ 568,402	\$ 569,818
Excess of revenues (expenditures)	\$ (566,877)	\$ 8,753	\$ (558,124)	\$ (554,641)
<u>OPERATING TRANSFERS</u>				
Transfers – in	574,076	-	574,076	584,288
Transfers – out	-	(35,683)	(35,683)	(12,077)
Excess of revenues and transfers – in (expenditures and transfers – out)	\$ 7,199	\$ (26,930)	\$ (19,731)	\$ 17,570
<u>FUND BALANCE – BEGINNING</u>	137,466	619,120	756,586	739,016
<u>FUND BALANCE – ENDING</u>	\$ 144,665	\$ 592,190	\$ 736,855	\$ 756,586

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
DEBT SERVICE FUNDS
SALES TAX BONDS SINKING FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>REVENUES</u>				
Interest earned on investments	\$ 1,200	\$ 1,525	\$ 325	\$ 2,177
Total revenues	\$ 1,200	\$ 1,525	\$ 325	\$ 2,177
<u>EXPENDITURES</u>				
Debt service				
Principal	\$ 255,000	\$ 255,000	\$ -	\$ 245,000
Interest and fiscal fees	313,402	313,402	-	324,818
Total expenditures	\$ 568,402	\$ 568,402	\$ -	\$ 569,818
Excess of expenditures	\$ (567,202)	\$ (566,877)	\$ 325	\$ (567,641)
<u>OPERATING TRANSFERS</u>				
Transfers – in	586,075	574,076	(11,999)	584,288
Excess of revenues and transfers –in	\$ 18,873	\$ 7,199	\$ (11,674)	\$ 16,647
<u>FUND BALANCE – BEGINNING</u>	137,466	137,466	-	120,819
<u>FUND BALANCE – ENDING</u>	\$ 156,339	\$ 144,665	\$ (11,674)	\$ 137,466

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
DEBT SERVICE FUNDS
SALES TAX BONDS RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>REVENUES</u>				
Interest earned on investments	\$ 9,000	\$ 8,753	\$ 247	\$ 13,000
Total revenues	\$ 9,000	\$ 8,753	\$ 247	\$ 13,000
<u>EXPENDITURES</u>				
Debt Service	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess of revenues	\$ 9,000	\$ 8,753	\$ 247	\$ 13,000
<u>OPERATING TRANSFERS</u>				
Transfers - out	(12,000)	(35,683)	(23,683)	(12,077)
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ (3,000)	\$ (26,930)	\$ (23,930)	\$ 923
<u>FUND BALANCE - BEGINNING</u>	619,120	619,120	-	618,197
<u>FUND BALANCE - ENDING</u>	\$ 616,120	\$ 592,190	\$ (23,930)	\$ 619,120

The accompanying notes are an integral part of this financial statement.

CAPITAL PROJECTS FUNDS

Major Funds:

River Front Development Fund

To account for the collection and expenditure of revenues for the acquisition and development of the City's riverfront. Financing is to be provided from general revenues and state grants.

Industrial Park Fund

To account for the financing and construction as well as continuing improvements to be made to the City's industrial park complex. General revenues, federal, and state grants provide financing.

Nonmajor Funds:

Sales Tax Bond Construction Fund

To account for the financing, acquisition, construction, and improvement of public streets, drainage facilities, waterworks system facilities, and sewerage system facilities. Financing is to be provided by the 1999 and 2000 Series Sales Tax Bonds in the amount of \$3,310,000 and \$3,535,000, respectively.

LCDBG Public Facilities Program

To account for the construction of sewer system improvements financed by a Federal Grant.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2004

	<u>Major Funds</u>		<u>Nonmajor Funds</u>			<u>Totals</u>	
	<u>River Front Development</u>	<u>Industrial Park</u>	<u>Sales Tax Bond Construction</u>	<u>LCDBG Public Facilities Program</u>		<u>2005</u>	<u>2004</u>
<u>ASSETS</u>							
Cash	\$ (813)	\$ 13,433	\$ 57,451	\$ 70	\$ 70,141	\$ 56,213	
Investments	-	-	-	-	-	-	131
Accounts receivable	-	-	-	-	-	-	44,205
Due from other agencies	-	9,813	-	-	9,813	305,000	
Due from other funds	-	-	119,038	-	119,038	785,781	
Due from other governments	407,332	354,639	71,840	-	833,811		
Total assets	\$ 406,519	\$ 377,885	\$ 248,329	\$ 70	\$ 1,032,803	\$ 1,191,330	
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities							
Accounts payable	\$ 12,833	\$ 335,346	\$ -	\$ -	\$ 348,179	\$ 256,299	
Accrued liabilities	-	-	-	-	-	47	
Due to other funds	528,111	29,293	-	-	557,404	544,188	
Total liabilities	\$ 540,944	\$ 364,639	\$ -	\$ -	\$ 905,583	\$ 800,534	
Fund balance (deficit)	\$ (134,425)	\$ 13,246	\$ 248,329	\$ 70	\$ 127,220	\$ 390,796	
Total liabilities and fund balance	\$ 406,519	\$ 377,885	\$ 248,329	\$ 70	\$ 1,032,803	\$ 1,191,330	

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2004

	<u>Major Funds</u>		<u>Nonmajor Funds</u>		<u>Totals</u>	
	<u>River Front Development</u>	<u>Industrial Park</u>	<u>Sales Tax Bond Construction</u>	<u>LCDBG Public Facilities Program</u>	<u>2005</u>	<u>2004</u>
REVENUES						
Intergovernmental	\$ 405,131	\$ 408,036	\$ 71,840	\$ -	\$ 885,007	\$ 2,071,098
Other	80,692	18,671	-	-	99,363	96,493
Total revenues	\$ 485,823	\$ 426,707	\$ 71,840	\$ -	\$ 984,370	\$ 2,167,591
EXPENDITURES						
Current						
Personal services	\$ 46,639	\$ 59,100	\$ -	\$ -	\$ 105,739	\$ 124,737
Materials and supplies	8,108	-	-	-	8,108	-
Other services and charges	127,769	4,543	34,825	-	167,137	672
Capital outlay						
Other improvements	526,151	380,881	-	18,430	925,462	2,162,328
Total expenditures	\$ 708,667	\$ 444,524	\$ 34,825	\$ 18,430	\$ 1,206,446	\$ 2,287,737
Excess of revenues (expenditures)	\$ (222,844)	\$ (17,817)	\$ 37,015	\$ (18,430)	\$ (222,076)	\$ (120,146)
OPERATING TRANSFERS						
Transfers - in	15,000	40,000	-	18,500	73,500	123,000
Transfers - out	-	-	(115,000)	-	(115,000)	-
Excess of revenues and transfers - in (expenditures and transfers - out)	\$ (207,844)	\$ 22,183	\$ (77,985)	\$ 70	\$ (263,576)	\$ 2,854
FUND BALANCE (DEFICIT) - BEGINNING	73,419	(8,937)	326,314	-	390,796	387,942
FUND BALANCE (DEFICIT) - ENDING	\$ (134,425)	\$ 13,246	\$ 248,329	\$ 70	\$ 127,220	\$ 390,796

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
RIVER FRONT DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>REVENUES</u>				
Intergovernmental	\$ 472,950	\$ 405,131	\$ (67,819)	\$ 2,016,116
Other	<u>18,000</u>	<u>80,692</u>	<u>62,692</u>	<u>79,288</u>
Total revenues	\$ 490,950	\$ 485,823	\$ (5,127)	\$ 2,095,404
<u>EXPENDITURES</u>				
Current				
Personal services	\$ 44,850	\$ 46,639	\$ (1,789)	\$ 5,858
Materials and supplies	6,000	8,108	(2,108)	
Other services and charges	290,000	127,769	162,231	144,698
Capital outlay				
Other improvements	<u>278,000</u>	<u>526,151</u>	<u>(248,151)</u>	<u>1,853,089</u>
Total expenditures	\$ 618,850	\$ 708,667	\$ (89,817)	\$ 2,003,645
Excess of revenues (expenditures)	\$ (127,900)	\$ (222,844)	\$ (94,944)	\$ 91,759
<u>OPERATING TRANSFERS</u>				
Operating transfers – in	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>-</u>
Excess of revenues and transfers – in (expenditures and transfers – out)	\$ (112,900)	\$ (207,844)	\$ (94,944)	\$ 91,759
<u>FUND BALANCE (DEFICIT) – BEGINNING</u>	<u>73,419</u>	<u>73,419</u>	<u>-</u>	<u>(18,340)</u>
<u>FUND BALANCE (DEFICIT) – ENDING</u>	<u>\$ (39,481)</u>	<u>\$ (134,425)</u>	<u>\$ (94,944)</u>	<u>\$ 73,419</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA

CAPITAL PROJECTS FUNDS
INDUSTRIAL PARK FUNDSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED JUNE 30, 2005

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>REVENUES</u>				
Intergovernmental	\$ 53,400	\$ 408,036	\$ 354,636	\$ 54,982
Other	<u>16,430</u>	<u>18,671</u>	<u>2,241</u>	<u>17,205</u>
Total revenues	\$ 69,830	\$ 426,707	\$ 356,877	\$ 72,187
<u>EXPENDITURES</u>				
Current				
Personal services	\$ 58,700	\$ 59,100	\$ (400)	\$ 72,518
Other services and charges	17,000	4,543	12,457	27,652
Capital outlay				
Other improvements	<u>19,000</u>	<u>380,881</u>	<u>(361,881)</u>	<u>-</u>
Total expenditures	\$ 94,700	\$ 444,524	\$ (349,824)	\$ 100,170
Excess of revenues	\$ (24,870)	\$ (17,817)	\$ 7,053	\$ (27,983)
<u>OPERATING TRANSFERS</u>				
Transfers – in	\$ 35,000	\$ 40,000	\$ 5,000	\$ -
Excess of revenues and transfers – in (expenditures and transfers – out)	10,130	22,183	12,053	(27,983)
<u>FUND BALANCE (DEFICIT)</u>				
– BEGINNING	(8,937)	(8,937)	-	19,046
FUND BALANCE (DEFICIT) – ENDING	\$ 1,193	\$ 13,246	\$ 12,053	\$ (8,937)

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
SALES TAX BOND CONSTRUCTION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 71,840	\$ 71,840	\$ -
Total revenues	\$ -	\$ 71,840	\$ 71,840	\$ -
<u>EXPENDITURES</u>				
Current				
Other services and charges	\$ -	\$ 34,825	\$ (34,825)	\$ -
Capital Outlay				
Other services and charges	-	-	-	672
Other improvements	-	-	-	183,250
Total expenditures	\$ -	\$ 34,825	\$ (34,825)	\$ 183,922
Excess of revenues (expenditures)	\$ -	\$ 37,015	\$ 37,015	\$ (183,922)
<u>OPERATING TRANSFERS</u>				
Transfers – in	-	-	-	123,000
Transfers – out	-	(115,000)	(115,000)	-
Excess of expenditures and transfers – out	\$ -	\$ (77,985)	\$ (77,985)	\$ (60,922)
<u>FUND BALANCE – BEGINNING</u>	<u>326,312</u>	<u>326,314</u>	<u>2</u>	<u>387,236</u>
<u>FUND BALANCE – ENDING</u>	<u>\$ 326,312</u>	<u>\$ 248,329</u>	<u>\$ (77,983)</u>	<u>\$ 326,314</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
CAPITAL PROJECTS FUNDS
LCDBG PUBLIC FACILITIES PROGRAM
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2005
WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 2004

	<u>Budget</u>	<u>2005 Actual</u>	<u>Variance</u>	<u>2004 Actual</u>
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Current				
Other services and charges	\$ 3,500	\$ -	\$ 3,500	\$ -
Capital outlay				
Other improvements	-	18,430	(18,430)	-
Total expenditures	\$ 3,500	\$ 18,430	\$ (14,930)	\$ -
Excess of expenditures	\$ (3,500)	\$ (18,430)	\$ (14,930)	\$ -
<u>OPERATING TRANSFERS</u>				
Transfers -- in	3,500	18,500	15,000	-
Excess of revenue and transfers -- in	\$ -	\$ 70	\$ 70	\$ -
<u>FUND BALANCE -- BEGINNING</u>	-	-	-	-
<u>FUND BALANCE -- ENDING</u>	\$ -	\$ 70	\$ 70	\$ -

The accompanying notes are an integral part of this financial statement.

ENTERPRISE FUNDS

Utility Fund

To account for the provision of gas, electric, and water utilities as well as sewer services to residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUND
COMBINING BALANCE SHEET
JUNE 30, 2005 AND 2004

	Major Fund	
	Utility Fund	
	2005	2004
<u>ASSETS</u>		
Current Assets		
Cash	\$ 224,776	\$ 216,942
Accounts receivable, net of allowance for uncollectibles (2005 – \$5,327 and 2004 – \$2,069)	1,050,711	968,642
Due from other agencies	10,963	-
Due from other funds	254,941	267,385
Due from other governments	2,000	2,000
Prepaid expenses	11,996	63,702
Total current assets	\$ 1,555,387	\$ 1,518,671
Restricted Assets		
Consumer deposits - cash	\$ 237,520	\$ 231,349
Total restricted assets	\$ 237,520	\$ 231,349
Property, Plant, and Equipment	\$ 15,798,772	\$ 15,676,771
Less accumulated depreciation	(5,752,959)	(5,378,163)
Net property, plant, and equipment	\$ 10,045,813	\$ 10,298,608
Total assets	\$ 11,838,720	\$ 12,048,628
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities (payable from current assets)		
Accounts payable	\$ 691,717	\$ 631,542
Accrued liabilities	92,183	84,300
Due to other funds	77,352	1,963
Total current liabilities (payable from current assets)	\$ 861,252	\$ 717,805
Current liabilities (payable from restricted assets)		
Consumer deposits	\$ 237,520	\$ 231,349
Total current liabilities (payable from restricted assets)	\$ 237,520	\$ 231,349
Total liabilities	\$ 1,098,772	\$ 949,154
Net Assets		
Invested in capital assets, net	\$ 10,045,813	\$ 10,298,609
Unrestricted	694,135	800,865
Total net assets	\$ 10,739,948	\$ 11,099,474
Total liabilities and net assets	\$ 11,838,720	\$ 12,048,628

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2005 AND 2004

	Major Fund	
	Utility Fund	
	2005	2004
<u>OPERATING REVENUES</u>		
Revenues	\$ 8,130,214	\$ 8,075,443
Less purchases and sales tax	<u>(5,669,145)</u>	<u>(5,431,106)</u>
Gross profit	\$ 2,461,069	\$ 2,644,337
<u>OPERATING EXPENSES</u>		
Personal services	\$ 1,470,865	\$ 1,324,597
Materials and supplies	583,000	439,029
Other services and charges	554,846	507,328
Depreciation	<u>374,796</u>	<u>368,904</u>
Total operating expenses	\$ 2,983,507	\$ 2,639,858
Operating income (loss)	\$ (522,438)	\$ 4,479
<u>NONOPERATING REVENUES</u>		
Interest income	\$ 2,801	\$ 2,991
Total nonoperating revenues	\$ 2,801	\$ 2,991
Net income (loss) before operating transfers and contributions	\$ (519,637)	\$ 7,470
<u>OPERATING TRANSFERS</u>		
Transfers -- in	1,568,611	1,341,913
Transfers -- out	<u>(1,408,500)</u>	<u>(1,960,000)</u>
Change in net assets	\$ (359,526)	\$ (610,617)
<u>NET ASSETS -- BEGINNING</u>	<u>11,099,474</u>	<u>11,710,091</u>
<u>NET ASSETS -- ENDING</u>	<u>\$ 10,739,948</u>	<u>\$ 11,099,474</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
YEARS ENDED JUNE 30, 2005 AND 2004

	<div style="text-align: center;"> <u>Major Fund</u> <u>Utility Fund</u> </div>	
	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Cash received from customers	\$ 8,040,095	\$ 7,984,676
Cash payments to suppliers for goods and services	(6,691,852)	(6,315,847)
Cash payments to employees for service	(1,462,737)	(1,334,818)
Net cash provided by (used for) operating activities	<u>\$ (114,494)</u>	<u>\$ 334,011</u>
Cash flows from noncapital financing activities		
Operating transfers – in	\$ 1,581,055	\$ 1,748,014
Operating transfers – out	(1,333,356)	(2,009,128)
Net cash provided by (used for) noncapital financing activities	<u>\$ 247,699</u>	<u>\$ (261,114)</u>
Cash flows from capital and related financing activities		
Purchases of fixed assets	\$ (122,001)	\$ (124,685)
Net cash used for capital and related financing activities	<u>\$ (122,001)</u>	<u>\$ (124,685)</u>
Cash flows from investing activities		
Interest on temporary investments	\$ 2,801	\$ 2,991
Net cash provided by investing activities	<u>\$ 2,801</u>	<u>\$ 2,991</u>
Net increase (decrease) in cash and cash equivalents	\$ 14,005	\$ (48,797)
Cash and cash equivalents – beginning of year	<u>448,291</u>	<u>497,088</u>
Cash and cash equivalents – end of year	<u>\$ 462,296</u>	<u>\$ 448,291</u>

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CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
YEARS ENDED JUNE 30, 2005 AND 2004

	<div style="text-align: center;"> <u>Major Fund</u> <u>Utility Fund</u> </div>	
	2005	2004
Reconciliation of operating income (loss)		
to net cash provided by operating activities		
Operating income (loss)	\$ (522,438)	\$ 4,479
Adjustments to reconcile operating income to		
net cash provided by operating activities		
Depreciation	\$ 374,796	\$ 368,904
Change in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	(85,327)	(93,150)
Allowance for uncollectibles	3,258	-
Due from other agencies	(10,963)	-
Prepaid expenses	51,706	(35,984)
Increase (decrease) in:		
Accounts payable	60,175	97,600
Accrued liabilities	8,128	(10,221)
Customer deposits	6,171	2,383
Total adjustments	<u>\$ 407,944</u>	<u>\$ 329,532</u>
Net cash provided by (used for) operating activities	<u>\$ (114,494)</u>	<u>\$ 334,011</u>
Supplemental schedule of significant noncash activities	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>GAS DEPARTMENT</u>		
<u>Operating Revenues</u>		
Revenues	\$ 944,745	\$ 1,007,692
Less purchases and sales tax	<u>(785,297)</u>	<u>(732,265)</u>
Gross profit	\$ 159,448	\$ 275,427
<u>Operating Expenses</u>		
Personal services		
Salaries and wages	\$ 236,731	\$ 209,042
Employee benefits	<u>91,535</u>	<u>82,105</u>
Total personal services	\$ 328,266	\$ 291,147
Materials and supplies		
Operating supplies	\$ 6,309	\$ 4,104
Repair and maintenance supplies	<u>16,883</u>	<u>19,926</u>
Total materials and supplies	\$ 23,192	\$ 24,030
Other services and charges		
Professional fees	\$ 16,004	\$ 19,359
Communications	1,281	1,714
Travel and seminar	1,397	180
Dues and subscriptions	690	1,091
Insurance	19,106	19,903
Repair and maintenance	15,090	6,006
Rentals	737	1,076
Bad debts	<u>10,661</u>	<u>6,166</u>
Total other services and charges	\$ 64,966	\$ 55,495
Depreciation	\$ 23,639	\$ 21,620
Total operating expenses	\$ 440,063	\$ 392,292
Operating loss	\$ (280,615)	\$ (116,865)

-continued-

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>ELECTRIC DEPARTMENT</u>		
<u>Operating Revenues</u>		
Revenues	\$ 6,295,026	\$ 6,172,126
Less purchases and sales tax	<u>(4,881,005)</u>	<u>(4,696,273)</u>
Gross profit	\$ 1,414,021	\$ 1,475,853
<u>Operating Expenses</u>		
Personal services		
Salaries and wages	\$ 467,982	\$ 408,461
Employee benefits	<u>170,221</u>	<u>160,152</u>
Total personal services	\$ 638,203	\$ 568,613
Materials and supplies		
Office supplies	\$ 1,147	\$ 1,241
Operating supplies	58,752	29,106
Repair and maintenance supplies	<u>281,065</u>	<u>168,459</u>
Total materials and supplies	\$ 340,964	\$ 198,806
Other services and charges		
Professional fees	\$ 35,824	\$ 40,644
Communications	22,741	21,129
Travel and seminar	9,269	11,884
Dues and subscriptions	679	465
Insurance	12,793	13,734
Utility service	14,126	11,989
Repair and maintenance	29,779	16,401
Rentals	8,198	12,464
Bad debts	<u>19,214</u>	<u>17,855</u>
Total other services and charges	\$ 152,623	\$ 146,565
Depreciation	\$ 138,939	\$ 143,898
Total operating expenses	\$ 1,270,729	\$ 1,057,882
Operating income	\$ 143,292	\$ 417,971

-continued-

CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>WATER DEPARTMENT</u>		
<u>Operating Revenues</u>		
Revenues	\$ 473,534	\$ 479,298
Less sales tax	<u>(2,843)</u>	<u>(2,568)</u>
Gross profit	<u>\$ 470,691</u>	<u>\$ 476,730</u>
<u>Operating Expenses</u>		
Personal services		
Salaries and wages	\$ 271,698	\$ 266,402
Employee benefits	<u>95,493</u>	<u>91,427</u>
Total personal services	<u>\$ 367,191</u>	<u>\$ 357,829</u>
Materials and supplies		
Office supplies	\$ 6,403	\$ 2,098
Operating supplies	67,747	71,740
Repair and maintenance supplies	<u>75,442</u>	<u>65,441</u>
Total materials and supplies	<u>\$ 149,592</u>	<u>\$ 139,279</u>
Other services and charges		
Professional fees	\$ 62,179	\$ 40,453
Communications	5,072	3,713
Travel and seminar	594	3,031
Dues and subscriptions	7,755	17,093
Insurance	7,241	7,570
Utility service	81,472	70,387
Repair and maintenance	25,831	8,349
Rentals	2,419	4,033
Bad debts	<u>1,888</u>	<u>1,512</u>
Total other services and charges	<u>\$ 194,451</u>	<u>\$ 156,141</u>
Depreciation	<u>\$ 88,900</u>	<u>\$ 84,035</u>
Total operating expenses	<u>\$ 800,134</u>	<u>\$ 737,284</u>
Operating loss	<u>\$ (329,443)</u>	<u>\$ (260,554)</u>

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CITY OF VIDALIA, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>SEWER DEPARTMENT</u>		
<u>Operating Revenues</u>		
Revenues	\$ 416,909	\$ 416,327
<u>Operating Expenses</u>		
Personal services		
Salaries and wages	\$ 98,999	\$ 70,696
Employee benefits	38,206	36,312
Total personal services	\$ 137,205	\$ 107,008
Materials and supplies		
Office supplies	\$ 475	\$ -
Operating supplies	26,730	24,215
Repair and maintenance supplies	42,047	52,699
Total materials and supplies	\$ 69,252	\$ 76,914
Other services and charges		
Professional fees	\$ 10,082	\$ 9,237
Communications	641	844
Travel and seminar	170	-
Dues and subscriptions	619	-
Insurance	3,600	3,751
Utility service	126,574	132,045
Repair and maintenance	-	2,080
Rentals	145	458
Bad debts	975	712
Total other services and charges	\$ 142,806	\$ 149,127
Depreciation	\$ 123,318	\$ 119,351
Total operating expenses	\$ 472,581	\$ 452,400
Operating loss	\$ (55,672)	\$ (36,073)

The accompanying notes are an integral part of this financial statement.

Report on Internal Control and Compliance



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**REPORT ON INTERNAL CONTROL OVER
 FINANCIAL REPORTING AND ON COMPLIANCE
 AND OTHER MATTERS
 BASED ON AN AUDIT OF
 THE FINANCIAL STATEMENTS
 PERFORMED IN ACCORDANCE WITH
 GOVERNMENT AUDITING STANDARDS**

The Honorable Hiram Copeland, Mayor
 and Members of the Board of Aldermen
 City of Vidalia
 Vidalia, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Vidalia, Louisiana, as of and for the year ended June 30, 2005, which collectively comprise the City of Vidalia, Louisiana's basic financial statements, and have issued our report thereon dated January 19, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Vidalia, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Vidalia, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as Item 2005-1.

This report is intended for the information of the Mayor, City Aldermen, Management of the City of Vidalia, Louisiana, the Legislative Auditor of the State of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Summers, LLP

Natchez, Mississippi
January 19, 2006

**CITY OF VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005**

SECTION 1: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|--|-------------|
| 1. Type of auditor's report issued on the financial statements: | Unqualified |
| 2. Material noncompliance relating to the financial statements? | Yes |
| 3. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Reportable condition(s) identified that are not considered to be material weaknesses? | No |

SECTION 2: FINANCIAL STATEMENT FINDINGS

2005-1 Finding

The City's audited financial statements were not completed and submitted to the Legislative Auditor's Office by the statutory completion date of December 31, 2005. The City was unable to compile complete and accurate records in time for the audit to be delivered by the statutory deadline.

Recommendation

We recommend that the City work diligently to make records available in a timely manner.

SECTION 3: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

AUDITEE'S CORRECTIVE ACTION PLAN

City of Vidalia, Louisiana, has prepared and hereby submits the following corrective action for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2005:

Finding: Corrective Action Plan Detail

2005-1 1. Name of Contact Person Responsible for Corrective Action:

Kenneth J. Davis
(318) 336-5206

2. Corrective Action Plan:

The City will work diligently to ensure that records are made available to the Auditor in a timely manner.

3. Anticipated Completion Date:

June 30, 2006 Audit

**CITY OF VIDALIA, LOUISIANA
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
2004-1	2002	The City's audited financial statements were not completed and submitted to the Legislative Auditor's Office by the statutory completion date of December 31, 2004. The City was unable to compile complete and accurate records in time for the audit to be delivered by the statutory deadline.	No	See Auditee's Corrective Action Plan for Finding 2005-1